MASTER
NEGATIVE
NO. 95-82426-4

COPYRIGHT STATEMENT

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted materials including foreign works under certain conditions. In addition, the United States extends protection to foreign works by means of various international conventions, bilateral agreements, and proclamations.

Under certain conditions specified in the law, libraries and archives are authorized to furnish a photocopy or other reproduction. One of these specified conditions is that the photocopy or reproduction is not to be "used for any purpose other than private study, scholarship, or research." If a user makes a request for, or later uses, a photocopy or reproduction for purposes in excess of "fair use," that user may be liable for copyright infringement.

The Columbia University Libraries reserve the right to refuse to accept a copying order if, in its judgement, fulfillment of the order would involve violation of the copyright law.

Author:
Plummer, Wilbur Clayton

Title:
National retail credit survey 3V.

Place:
Washington, D.C.

Date:
1930

95-82426-4
MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD

BUSINESS
257
P73

[Plummer, Wilbur Clayton,] 1889–

... National retail credit survey ... Washington, U. S. Govt. print. off., 1930.

3 v. in 1. tables. 24cm. (U. S. Bureau of foreign and domestic commerce (Dept. of commerce) Domestic commerce series, no. 33-34, 36)

At head of title: U. S. Department of commerce. R. P. Lamont, secretary. Bureau of foreign and domestic commerce. William L. Cooper, director.

"The conduct of the survey and the preparation of this report are the work of Dr. W. C. Plummer."—Foreword, pt. I, p. iv.

Part III includes summary tables.

1. Credit—U. S. 2. Retail trade—U. S. I. Title.

Library of Congress HG3729.U5P6 30—26408
Copy 2. [30f5] 658.8820973

RESTRICTIONS ON USE:

TECHNICAL MICROFORM DATA

FILM SIZE: 35mm REDUCTION RATIO: 12x IMAGE PLACEMENT: IA (IIA) IB IIB

DATE FILMED: 3/22/95 INITIALS: DG

TRACKING # : MSH 05417, MSH 05418, MSH 05419

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

2.0 mm ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890

1.5 mm ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890

PM-MGP 13"x18"
METRIC GENERAL PURPOSE TARGET
PHOTOGRAPHIC

200 mm

150 mm

100 mm

1.0

1.1

1.25

1.4

1.6

1.8

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890

1.0 mm

1.5 mm

2.0 mm

2.5 mm

A5

A4

A3

PRECISION℠ RESOLUTION TARGETS

Century

A&P

1303 Geneva Avenue
St. Paul, MN 55119

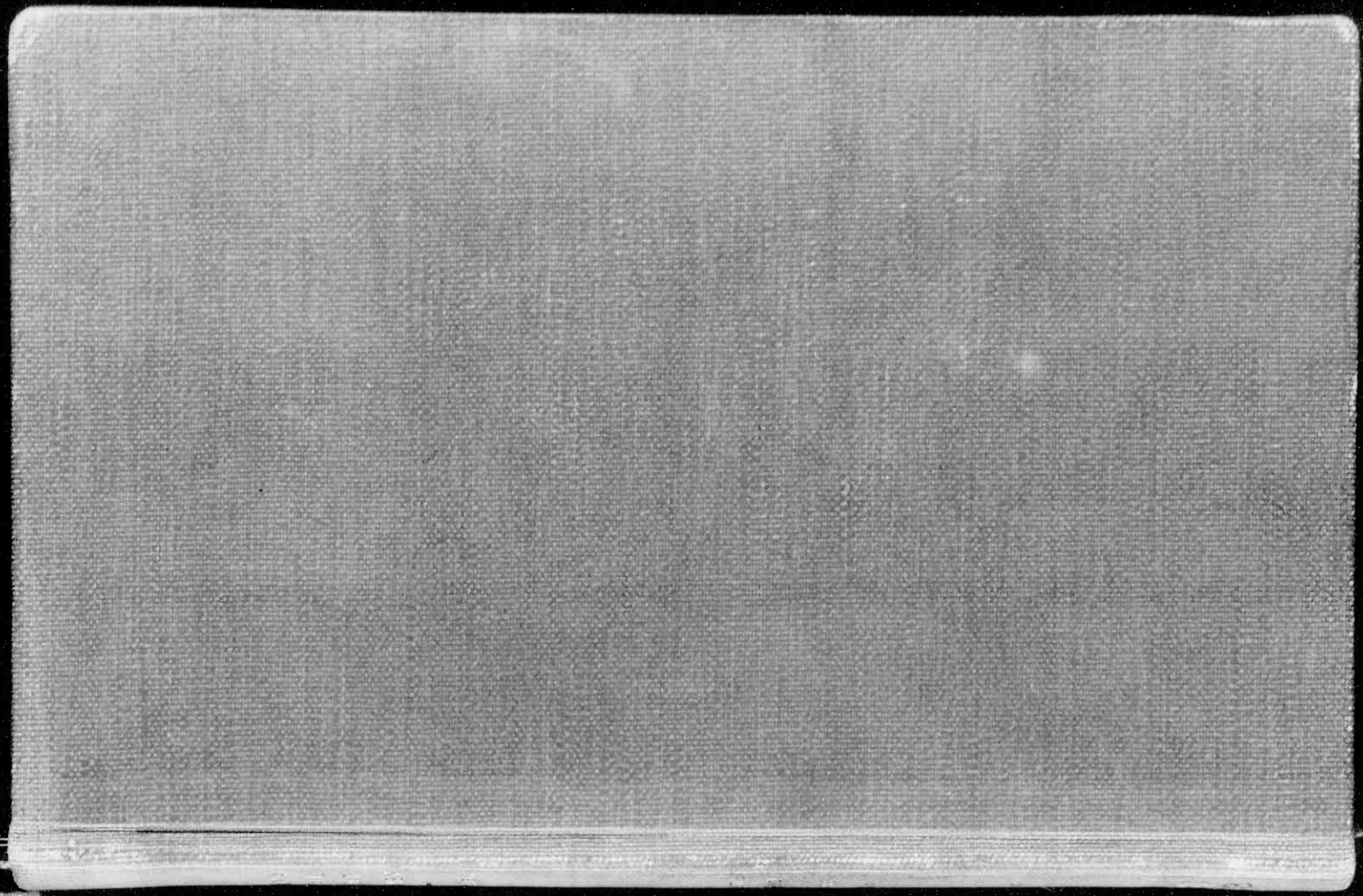
ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890

4.5 mm

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890

3.5 mm

Volume 1



D257 P73
Columbia University
in the City of New York
LIBRARY
School of Business

U. S. DEPARTMENT OF COMMERCE

R. P. LAMONT, Secretary

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

WILLIAM L. COOPER, Director

LIBRARY
SCHOOL OF BUSINESS

NATIONAL RETAIL CREDIT SURVEY

PART I

LIBRARY
SCHOOL OF BUSINESS

DOMESTIC COMMERCE SERIES—No. 33

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON: 1930

For sale by the Superintendent of Documents, Washington, D. C. - - - Price 10 cents

Business

D
257
P73

Cop. 1

CONTENTS

	Page
Foreword	IV
Introduction	1
Department stores	3
Women's, children's, and infants' wear stores	10
Men's and boys' clothing stores	16
General clothing stores	22
Boot, shoe, and other footwear stores	29
Fur goods stores	34
Dry goods stores	39
Furniture stores	43

FOREWORD

One of the outstanding problems confronting the retail business man to-day, and one on which there is a serious lack of information, is that of credit extension. To assist in solving this problem, the Department of Commerce, at the request of the National Retail Credit Association, has made a nation-wide survey of retail credit. The report of the survey is divided into three parts, of which this is the first. Part I includes data on 892 department stores, 523 women's, children's, and infants' wear stores, 843 men's and boys' clothing stores, 1,616 general clothing stores, 2,000 shoe stores, 124 fur goods stores, 108 dry goods stores, and 726 furniture stores. The total net sales of these 6,832 establishments in 1927 exceeded $2,500,000,000.

The purpose of this report is to set forth without recommendation the experience of a large number of establishments on such subjects as credit losses, credit terms, the use of credit bureaus, collections, etc., which will serve as a chart or guide for the individual business man in carrying on his business. The individual merchant, knowing his own experience in these matters, can compare it with that of others and govern himself accordingly.

One of the significant facts disclosed by the survey is the very high percentage of returned merchandise in the various lines of retail trade. The returning of merchandise is an expensive practice. The high percentages of returns and allowances indicate great possibilities for the elimination of waste and increasing efficiency in distribution. Shoe stores lead all other kinds of stores with a general average for returns and allowances on regular charge account sales of 21.3 per cent of gross sales. Women's wear and department stores followed, with 14.3 and 14.2 per cent, respectively. Numerous stores were found with 25 per cent or over. On cash sales, fur goods stores led the list with the high proportion of 16 per cent. On installment sales, furniture stores had the highest figure, which was 13.7 per cent, and department stores had the second highest, 13.1 per cent.

Information of the type disclosed by this credit survey, it is believed, will be of substantial importance in the stabilization of business. It not only should be instrumental in assisting the merchant to carry on his credit business more efficiently, but also will enable him to pass the resulting gains to the consumer in the form of lower prices.

The preliminary plans for this survey were made by Dr. R. J. McFall prior to his transfer to the Bureau of the Census as editor of the Survey of Current Business. The conduct of the survey and the preparation of this report are the work of Dr. W. C. Plummer, who was loaned to the Domestic Commerce Division of the Bureau of Foreign and Domestic Commerce by the University of Pennsylvania for this purpose.

WILLIAM L. COOPER, *Director,*
Bureau of Foreign and Domestic Commerce.

FEBRUARY, 1930.

NATIONAL RETAIL CREDIT SURVEY—PART I

INTRODUCTION

This survey is based on information derived from questionnaires sent to retail merchants throughout the country. Names and addresses were supplied by the more than 1,000 local bureaus of the National Retail Credit Association. Each bureau was asked to supply a list of names totaling four times its membership and including all the principal lines of retail trade. In communities of over 5,000 population where there were no local bureaus of the association, the local chambers of commerce and merchants' associations were asked to furnish names and addresses. All of the organizations accorded excellent cooperation.

The merchants who received the questionnaires were told, on account of the confidential nature of the information requested, that the department wanted the facts only in order to consolidate them with those of other concerns, thereby arriving at information covering the general credit operations of each line of retail business in each part of the country; also that the facts regarding any individual business would not be subject to the use of any other Government department, credit bureau, or other agency, nor could any other report made by them be checked against this report.

In addition to the local bureaus of the National Retail Credit Association, the State and local leaders of the association appointed to assist in the survey, chambers of commerce, local merchants' associations, the National Retailers' Council, the National Association of Finance Companies, and the National Retail Furniture Association, the following individuals have been identified with the survey and have contributed to its success: Justin H. Edgerton, James R. Hewitt, Leopold Meyer, David J. Woodlock, Guy H. Hulse, and R. Preston Shealey, all of the National Retail Credit Association; and Dr. Frank M. Surface, Assistant Director of the Bureau, H. C. Dunn, chief of the Domestic Commerce Division, H. T. LaCrosse, G. W. Robbins, and Madge Herron, all of the Bureau of Foreign and Domestic Commerce.

It is planned to publish the results of the survey in three parts, the first and second each containing data for 8 and the third for 11 lines of retail trade. The present report is Part I.

The information contained herein is set forth by kinds of stores and by size and geographical location under each kind. Weighted averages are worked out for the various groups. Such averages are significant but do not give as much information as is sometimes desired; consequently, tables are presented showing the distribution of individual stores in each percentage group; these are called frequency tables. The aim has been to present the data in such manner that the individual store can compare its own experience with that of similar establishments.

All sales figures in this report are for net sales and all percentages are based on net sales figures, except returned merchandise percentages, which are based on gross sales.

The various geographical districts according to which the information of this report is grouped comprise States as follows:

New England.—Maine, New Hampshire, Vermont, Massachusetts, Connecticut, and Rhode Island.
Central Atlantic.—New York, Pennsylvania, New Jersey, Maryland, Delaware, Virginia, West Virginia, and the District of Columbia.
Mid-West.—Iowa, Wisconsin, Michigan, Illinois, Indiana, Ohio, and Kentucky.
Southeast.—Tennessee, North Carolina, South Carolina, Mississippi, Alabama, Georgia, and Florida.
Gulf Southwest.—Missouri, Oklahoma, Arkansas, Texas, and Louisiana.
West Midcontinent.—Wyoming, Colorado, Nebraska, and Kansas.
Central Northwest.—Montana, North Dakota, South Dakota, and Minnesota.
Pacific Northwest.—Washington, Oregon, and Idaho.
Pacific Southwest.—California, Utah, Arizona, Nevada, and New Mexico.

DEPARTMENT STORES

KINDS AND EXTENT OF CREDIT BUSINESS

Reports from 892 department stores with total net sales of $1,654,240,078 for the year 1927 indicate that 64.5 per cent of sales were for cash, 29.8 per cent on open credit (regular charge accounts), and 5.7 per cent on installment credit (deferred payments).

Out of the total of 892 stores, 278 sold for cash only, 383 sold for cash and open credit only, 28 sold for cash and installment credit only, and 203 sold for cash, open credit, and installment credit.

On the basis of returns from 363 stores reporting for 1925, 1926, and 1927 it was found that cash sales increased slightly in 1927 over 1925, open credit sales increased more in proportion than cash sales, and installment sales increased more in proportion than either cash or open credit sales. In 1927 cash sales increased 1.8 per cent over those of 1925, open credit sales increased 13.2 per cent, and installment sales 16.8 per cent. It should be pointed out that even after this increase installment sales were a comparatively small proportion of total business.

It is interesting to note, by way of comparison, that in all the lines of trade included in this report except dry goods stores, open credit sales increased greatly during the years studied, not only in absolute amounts but, what is perhaps more significant from a credit standpoint, much more in proportion than the cash sales.

KINDS AND EXTENT OF CREDIT BUSINESS OF 892 DEPARTMENT STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (278 stores)	74,276			74,276
Cash and open credit only (383 stores)	123,415	120,384		243,799
Cash and installment credit only (28 stores)	225,000		31,542	256,542
Cash, open credit, and installment credit (203 stores)	644,641	372,345	62,637	1,079,623
Total sales (892 stores)	1,067,332	492,729	94,179	1,654,240
Per cent of total sales	64.5	29.8	5.7	100

KINDS AND EXTENT OF CREDIT BUSINESS OF 363 DEPARTMENT STORES IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Installment credit	Total
1925:				
Volume of sales	682,210	311,764	46,028	1,040,002
Per cent of total sales	65.6	30.0	4.4	100
1926:				
Volume of sales	693,393	334,278	52,341	1,080,012
Per cent of total sales	64.2	31.0	4.8	100
1927:				
Volume of sales	694,899	352,899	53,763	1,101,561
Per cent of total sales	63.1	32.0	4.9	100.0
Per cent change in volume of sales:				
1926 over 1925	+1.6	+7.2	+13.7	+3.8
1927 over 1926	+0.2	+5.6	+2.7	+1.9
1927 over 1925	+1.8	+13.2	+16.8	+5.9

KIND AND EXTENT OF CREDIT BUSINESS OF 568 DEPARTMENT STORES (EXCLUDING CHAIN STORES AND THOSE CONDUCTED BY MAIL-ORDER HOUSES), IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $100,000	122	56.8	41.4	1.8
$100,000 to $499,999	194	55.9	41.3	2.8
$500,000 to $999,999	86	55.8	39.0	5.2
$1,000,000 to $4,999,999	122	49.3	43.9	6.8
$5,000,000 to $9,999,999	20	44.9	49.1	6.0
$10,000,000 to $14,999,999	9	46.3	49.4	4.3
$15,000,000 to $19,999,999	6	49.0	46.6	4.4
$20,000,000 to $29,999,999	5	50.1	42.8	7.1
$30,000,000 and over	4	52.5	43.5	4.0
REGION				
New England	33	49.8	47.7	2.5
Central Atlantic	97	45.8	46.9	7.3
Mid-West	132	52.5	41.9	5.6
Southeast	35	47.3	49.7	3.0
Gulf Southwest	76	46.9	46.5	6.6
West Midcontinent	50	51.1	41.9	7.0
Central Northwest	31	49.9	44.9	5.2
Pacific Northwest	29	45.4	48.3	6.3
Pacific Southwest	84	54.2	42.7	3.1
Total, including one store, district not known	568	49.6	44.9	5.5

CREDIT LOSSES

The average loss on open credit accounts for department stores was 0.4 per cent.

Classifying the stores according to size, it is brought out in a striking manner that open credit losses varied inversely with the size of establishments; that is, the larger the stores, the smaller the proportion of losses on open credit accounts. The range was from an average of 1.5 per cent loss for stores with total net sales less than $100,000 to 0.2 per cent for three of the groups with total net sales of $10,000,000 and over.

The weighted averages here given are significant figures, but they do not give as much information as is sometimes desired; consequently, tables are presented showing the distribution of individual stores in the various credit loss percentage groups. Among other information, these tables show that out of 586 stores, 109 had losses on open credit sales of less than 0.2 per cent. At the other extreme stand 27 stores with losses of 5 per cent or more. Of these 27 stores, 13 were in the group with net sales less than $100,000, 11 of them in the group with net sales between $100,000 and $499,999, and 3 of them in the $1,000,000 to $4,999,999 group. None of the stores with net sales of $5,000,000 or more was represented in this 5 per cent loss group; in fact, not one of the stores with total net sales of $5,000,000 or more had losses as high as 2 per cent.

Grouping the stores according to geographical districts, it is found that the New England States and Central Northwest States had the lowest average, which was 0.2 per cent. The Southeast States had the highest average, which was 0.9 per cent.

The average loss on installment accounts of department stores for the whole country was 0.9 per cent, more than twice as much as the loss on open accounts.

The New England States and Central Northwest States had an average loss of 0.2 per cent on installment credit, which was the lowest. It will be noted that these districts also had the lowest loss on open credit. The Central Atlantic States had the highest loss on installment accounts, with an average of 1.5 per cent.

LOSSES FROM BAD DEBTS OF 598 DEPARTMENT STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $100,000	130	1.5	0.6	15	1.9	0.3
$100,000 to $499,999	193	1.1	.4	30	1.0	.1
$500,000 to $999,999	88	.6	.2	36	2.1	.2
$1,000,000 to $4,999,999	124	.6	.2	85	1.5	.1
$5,000,000 to $9,999,999	22	.3	.1	20	.8	.05
$10,000,000 to $14,999,999	9	.2	.1	10	.5	.02
$15,000,000 to $19,999,999	7	.3	.1	8	.1	.007
$20,000,000 to $29,999,999	6	.2	.09	5	.8	.06
$30,000,000 and over	7	.2	.06	6	.3	.01
REGION						
New England	34	.2	.1	15	.2	.01
Central Atlantic	97	.3	.1	48	1.5	.1
Mid-West	134	.3	.1	48	.5	.03
Southeast	36	.9	.2	13	.4	.01
Gulf Southwest	74	.5	.2	28	.9	.07
West Midcontinent	58	.7	.1	13	1.2	.09
Central Northwest	32	.2	.1	12	.2	.0₁
Pacific Northwest	30	.5	.2	10	.7	.04
Pacific Southwest	90	.6	.2	28	.3	.01
Total	[1] 586	.44	.16	215	.9	.05

[1] Includes one store, district not known.

DEPARTMENT STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the radio of bad debts on open accounts to open account sales]

Ratio of loss	Total stores	Size group (sales volume in thousands of dollars)								
		Less than 100	100 to 499	500 to 999	1,000 to 4,999	5,000 to 9,999	10,000 to 14,999	15,000 to 19,999	20,000 to 29,999	30,000 and over
Less than 0.2 per cent	109	27	31	14	18	8	4	2	2	3
0.2 to 0.29 per cent	66	7	14	13	18	4	3	3	2	2
0.3 to 0.39 per cent	47	2	9	14	17	3	1	-------	1	-------
0.4 to 0.49 per cent	38	2	9	7	17	-------	-------	-------	1	2
0.5 to 0.59 per cent	34	7	6	6	12	2	-------	1	-------	-------
0.6 to 0.69 per cent	38	5	10	7	14	2	-------	-------	-------	-------
0.7 to 0.79 per cent	20	2	8	3	5	1	1	-------	-------	-------
0.8 to 0.89 per cent	24	2	13	2	7	-------	-------	-------	-------	-------
0.9 to 0.99 per cent	8	1	-------	4	2	-------	-------	1	-------	-------
1 to 1.4 per cent	81	18	43	11	8	1	-------	-------	-------	-------
1.5 to 1.9 per cent	29	12	13	2	1	1	-------	-------	-------	-------
2 to 2.9 per cent	30	14	10	5	1	-------	-------	-------	-------	-------
3 to 3.9 per cent	24	12	12	-------	-------	-------	-------	-------	-------	-------
4 to 4.9 per cent	11	6	4	-------	1	-------	-------	-------	-------	-------
5 per cent and over	27	13	11	-------	3	-------	-------	-------	-------	-------
Total	586	130	193	88	124	22	9	7	6	7

97358—30——2

DEPARTMENT STORES GROUPED ACCORDING TO SIZE OF INSTALLMENT CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on installment accounts to installment account sales]

Ratio of loss	Total stores	Size group (sales volume, in thousands of dollars)								
		Less than 100	100 to 499	500 to 999	1,000 to 4,999	5,000 to 9,999	10,000 to 14,999	15,000 to 19,999	20,000 to 29,999	30,000 and over
Less than 0.2 per cent	99	7	14	18	42	7	3	5	2	1
0.2 to 0.29 per cent	13		1	3	6	1	1			1
0.3 to 0.39 per cent	12			1	5	1		3		2
0.4 to 0.49 per cent	11		1	2	3	2	1			2
0.5 to 0.59 per cent	3		2		1					
0.6 to 0.69 per cent	9		1	2	3	2	1			
0.7 to 0.79 per cent	6	1			1		2		2	
0.8 to 0.89 per cent	2		1		1					
0.9 to 0.99 per cent	2			1			1			
1 to 1.4 per cent	17	1	1	3	7	3	1		1	
1.5 to 1.9 per cent	9		2	2	3	2				
2 to 2.9 per cent	13	1	3	1	6	2				
3 to 3.9 per cent	10		2	2	6					
4 to 4.9 per cent	2	1		1						
5 per cent and over	7	4	2		1					
Total	215	15	30	36	85	20	10	8	5	6

USE OF CREDIT BUREAUS

Of the 597 stores reporting on the use of credit bureaus, 512, or 85.8 per cent, made use of credit bureaus as compared with 85, or 14.2 per cent, which did not.

Of the 588 stores which reported on the subject of making credit investigations of their own, 192 stores, or 32.7 per cent, relied wholly on the credit bureau for information; 311, or 52.9 per cent, supplemented the use of the credit bureau with investigations of their own; and 85 stores, or 14.4 per cent, made no use of credit bureaus.

The average open credit loss of each of these three groups was 0.4 per cent. Basing the open credit loss on total sales, it is found, however, that the stores making use of credit bureaus have a smaller proportionate loss, which indicates that the stores which did not use credit bureaus did a greater proportion of their business on open credit than those which used credit bureaus.

The stores which did not use credit bureaus had a lower average loss on installment accounts than those which used credit bureaus.

SOURCE OF CREDIT INFORMATION OF DEPARTMENT STORES IN 1927

Classification	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
Stores using credit bureaus and making no investigations of their own (192 stores, 32.7 per cent):		*Per cent*	*Per cent*
Open credit	192	0.4	0.2
Installment credit	84	.8	.04
Stores using credit bureaus and also making investigations of their own (311 stores, 52.9 per cent):			
Open credit	302	.4	.1
Installment credit	128	.9	.06
All stores making use of credit bureaus (512 stores, 85.8 per cent):			
Open credit	503	.4	.1
Installment credit	193	.9	.05
Stores not making use of credit bureaus (85 stores, 14.2 per cent):			
Open credit	81	.4	.2
Installment credit	22	.5	.03

CHAIN DEPARTMENT STORES

Out of a total of 598 stores doing credit business, 29, or 4.8 per cent, were chain stores, and 569, or 95.2 per cent, were not. The individual establishment decided the question whether it was a chain store.

Judging by their credit losses, chain stores followed, on the average, a more liberal policy in extending open credit than other stores. They had an average loss on open credit sales of 0.6 per cent; other stores had 0.4 per cent. If the open credit loss percentage of chain stores is figured on a basis of total sales, however, the ratio is so small as to be almost negligible. This small ratio (0.02 per cent) indicates that the chain stores reporting did a very small proportion of their business on open credit.

Chain stores had a lower installment credit loss than other stores.

LOSSES FROM BAD DEBTS OF CHAIN DEPARTMENT STORES COMPARED WITH THOSE OF OTHER DEPARTMENT STORES IN 1927

Type	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
Chain department stores (29 stores, 4.8 per cent):			
Open credit	26	0.6	0.02
Installment credit	15	.3	.01
All others (569 stores, 95.2 per cent):			
Open credit	560	.4	.20
Installment credit	200	1.0	.07

RETURNS AND ALLOWANCES

The ratio of returns and allowances was 5.9 per cent of gross cash sales, 14.2 per cent of gross open credit sales, and 13.1 per cent of gross installment credit sales. The returns and allowance percentages in the preliminary report of this survey were based on net sales, which made those percentages higher than the present ones.

There are a number of striking facts brought out by the tables on returns and allowances. One is the high percentages on open credit sales. The New England group had an average of 20.1 per cent based on gross sales; one-fifth by value of all the goods that were taken out of the stores on open credit accounts in that section of the country were brought back again. Instead of one delivery and a sale in those cases there were two deliveries (the return counting as a delivery), with all the risk of breakage and other costs involved, and no sale. It is thought that sending goods on approval was responsible for a large proportion of the returns and allowances in the New England States.

The questionnaire reports show that there were three stores with returns of 25 per cent or over and 12 with returns between 20 and 25 per cent.

Another interesting fact brought out by the tables is the direct relation existing between the size of stores and the ratio of returns and allowances on open credit sales. The stores with total sales less than $100,000 had an average of 2.5 per cent of returns and allowances; those with sales of $30,000,000 and over had an average of 17.36 per cent.

The percentage of returns and allowances on installment credit sales for the whole country was 13.1 per cent.

RETURNS AND ALLOWANCES OF DEPARTMENT STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Cash		Open credit		Installment credit	
	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances
SALES VOLUME						
Less than $100,000	22	2.5	25	2.5	3	16.7
$100,000 to $499,999	54	1.5	65	8.8	9	6.9
$500,000 to $999,999	38	2.0	43	8.6	13	15.7
$1,000,000 to $4,999,999	68	2.8	70	11.9	39	16.4
$5,000,000 to $9,999,999	20	5.5	18	14.7	17	13.4
$10,000,000 to $14,999,999	9	5.2	9	12.9	10	12.4
$15,000,000 to $19,999,999	5	8.1	5	15.1	5	8.5
$20,000,000 to $29,999,999	4	5.6	5	15.3	5	11.2
$30,000,000 and over	7	7.0	7	17.3	5	12.7
REGION						
New England	14	6.4	16	20.1	6	15.7
Central Atlantic	55	6.0	53	15.6	27	14.0
Mid-West	46	5.9	44	12.7	23	11.4
Southeast	10	7.7	12	9.9	4	5.2
Gulf Southwest	30	5.1	35	11.0	14	16.0
West Midcontinent	18	7.1	23	10.9	8	16.1
Central Northwest	12	4.2	14	10.1	5	12.1
Pacific Northwest	11	5.4	13	12.6	7	12.0
Pacific Southwest	31	5.0	36	14.9	12	10.4
Total	227	5.9	247	14.2	106	13.1

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF DEPARTMENT STORES IN 1927

[Percentages based on gross sales]

Sales volume	Stores having returns and allowances—					
	Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 to 19.9 per cent	20 to 24.9 per cent	25 per cent and over
Less than $100,000	21	2	2			
$100,000 to $499,999	27	18	14	2	2	2
$500,000 to $999,999	11	19	8	3	1	1
$1,000,000 to $4,999,999	8	22	32	4	4	
$5,000,000 to $9,999,999	1	3	9	2	3	
$10,000,000 to $14,999,999		3	3	3		
$15,000,000 to $19,999,999		2		3		
$20,000,000 to $29,999,999		1	2	2		
$30,000,000 and over	1	1	2	1	2	
Total	69	71	72	20	12	3

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all stores to the outstanding balances due of the same stores when books were closed for the preceding month. The open account collection percentage for 355 stores was 44.5 per cent. Classifying the stores by size, it is found that the smaller stores had much lower percentages than the larger ones. The stores with sales less than $100,000 had the very low average of 24.9 per cent. All the groups with net sales under $10,000,000 had percentages less than the general average of 44.5 per cent, and all the groups with net sales of $10,000,000 and over had percentages greater than the general average.

The Central Northwest States had the highest open account collection percentage, which was 55.5 per cent; the Southeast States had the lowest average, which was 34 per cent.

The table on monthly collections of open credit accounts shows that the percentage is highest in December, with an average of 47.4 per cent, and lowest in August, with an average of 41.3 per cent. The highest figure in the table is 64.1 per cent, which is for the month of December in the Central Northwest States.

The installment account collection percentage for the whole country was 14.6 per cent. The smaller collection percentage for installment accounts does not indicate that people do not meet their installment obligations as promptly as they do their ordinary charge account bills. Prompt payment is only one factor determining a collection percentage; probably the most important factor is the period of time over which the prearranged payments extend.

It was mentioned above that there was a very direct relation between the size of the store and the collection percentage in the open account business, the larger stores having higher collection percentages. This relationship is not found in the installment business. Some of the groups doing a smaller volume of business had higher percentages than some of the groups with much larger volume. The lowest average, 10.8 per cent, was found in the group with net sales from $1,000,000 to $4,999,999, and the highest, 19.6 per cent, was found in the group with net sales from $20,000,000 to $29,999,999.

The Gulf Southwest States had the highest installment account collection percentage, which was 20.9 per cent; the Central Atlantic States had the lowest, which was 11.1 per cent.

The month of October had the highest percentage, which was 16.3 per cent, and July had the lowest, which was 12.6 per cent.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF DEPARTMENT STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $100,000	31	24.9	25.6	23.8	24.2	28.4	22.0	20.9	19.9	20.1	25.0	31.2	28.8	30.2
$100,000 to $499,999	113	42.5	50.2	41.2	42.5	42.6	41.8	41.0	39.5	36.4	36.6	42.3	42.9	52.9
$500,000 to $999,999	62	38.6	40.6	35.7	37.7	39.9	39.0	37.9	36.4	35.0	36.1	41.8	40.3	41.6
$1,000,000 to $4,999,999	103	39.3	39.2	36.4	40.2	40.7	40.1	39.0	37.3	37.4	36.7	40.7	41.3	42.0
$5,000,000 to $9,999,999	18	44.1	48.2	42.8	45.2	44.0	43.4	44.3	43.2	41.6	40.0	43.7	45.4	44.9
$10,000,000 to $14,999,999	9	48.3	46.9	45.8	52.2	48.8	48.9	48.1	44.9	46.0	47.0	51.5	51.8	47.9
$15,000,000 to $19,999,999	6	49.1	46.5	43.3	46.2	50.4	49.5	47.9	42.8	44.1	51.2	52.4	52.4	61.1
$20,000,000 to $29,999,999	6	52.0	56.1	50.7	52.8	53.3	52.6	52.7	49.6	49.2	49.7	52.9	54.8	48.1
$30,000,000 and over	7	48.3	52.0	42.0	50.4	50.9	49.2	49.1	42.9	44.2	48.1	51.3	47.7	51.5
REGION														
New England	21	45.3	48.9	42.9	46.7	48.0	47.0	46.7	42.0	41.6	44.6	44.7	46.3	43.4
Central Atlantic	65	44.3	49.8	40.5	45.0	44.7	44.8	44.3	41.0	39.5	40.6	45.9	45.3	47.5
Mid-West	74	44.1	42.7	41.0	45.2	46.0	44.4	44.1	41.6	41.2	41.6	45.2	46.4	49.3
Southeast	16	34.0	34.4	33.2	35.5	34.8	34.0	33.4	32.4	32.1	30.3	37.3	34.8	34.7
Gulf Southwest	52	47.3	42.0	41.0	45.5	45.2	44.3	42.3	38.1	39.5	41.4	46.4	47.9	46.7
West Midcontinent	33	44.1	43.9	39.7	42.6	44.8	45.4	44.4	42.3	43.1	42.0	47.8	45.8	46.8
Central Northwest	15	55.5	60.3	51.1	54.3	57.4	54.6	54.7	52.0	52.3	51.6	55.8	55.6	64.1
Pacific Northwest	22	41.4	42.0	40.2	41.7	42.1	39.5	41.9	38.4	39.9	41.9	44.4	43.0	42.0
Pacific Southwest	57	46.6	49.1	43.2	47.5	46.4	46.6	45.3	44.7	45.4	45.5	49.2	47.9	47.9
Total	355	44.5	46.4	41.4	45.4	45.6	44.9	44.3	41.4	41.3	42.2	46.2	46.3	47.4

PER CENT COLLECTED MONTHLY ON INSTALLMENT CREDIT ACCOUNTS OF DEPARTMENT STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $100,000	2	17.6	14.1	20.0	28.8	11.8	11.1	8.6	10.5	11.1	11.1	22.2	25.8	32.9
$100,000 to $499,999	10	13.9	14.4	13.4	14.9	14.2	14.0	14.0	12.8	13.3	12.5	14.5	14.6	14.2
$500,000 to $999,999	18	17.6	17.5	16.6	16.2	18.5	17.1	16.3	15.7	15.7	17.4	18.8	23.9	18.0
$1,000,000 to $4,999,999	61	10.8	15.5	10.6	10.6	10.3	11.6	10.1	9.4	10.5	9.8	10.7	10.5	9.8
$5,000,000 to $9,999,999	16	16.6	14.4	13.6	13.7	14.8	13.5	13.7	13.3	14.6	15.0	25.4	25.0	22.1
$10,000,000 to $14,999,999	8	16.8	16.3	17.0	17.6	17.9	17.0	16.5	14.8	18.3	17.5	16.8	16.1	16.0
$15,000,000 to $19,999,999	6	16.4	18.3	16.9	20.8	15.2	24.3	14.2	14.6	15.4	15.6	16.0	16.2	15.0
$20,000,000 to $29,999,999	5	19.6	17.6	19.5	19.8	20.6	20.3	19.2	17.5	19.8	19.2	20.9	20.8	20.2
$30,000,000 and over	6	17.0	17.1	16.5	17.9	17.2	16.4	16.7	14.8	18.0	17.3	18.0	18.0	16.8
REGION														
New England	8	18.7	28.0	16.8	17.6	17.7	17.5	18.7	15.6	22.9	15.9	19.8	18.9	17.1
Central Atlantic	34	11.1	11.1	10.8	11.2	11.2	11.0	10.8	10.1	11.1	10.9	11.9	11.8	11.4
Mid-West	23	19.3	24.6	18.3	18.2	17.8	18.6	16.9	15.1	17.9	16.8	22.7	23.2	20.9
Southeast	5	12.0	11.7	12.2	12.9	12.0	13.1	12.9	12.0	12.9	12.3	13.0	12.2	9.2
Gulf Southwest	19	20.9	19.7	20.3	20.9	21.2	24.4	18.6	17.0	20.0	20.4	23.6	22.5	21.1
West Midcontinent	10	14.0	13.9	13.4	15.0	12.6	13.5	14.1	13.8	13.5	14.3	14.7	15.1	13.6
Central Northwest	6	13.8	12.7	13.7	15.4	13.9	13.5	12.8	13.4	15.7	13.9	14.3	13.7	12.6
Pacific Northwest	9	13.0	13.7	12.1	13.3	13.2	12.7	12.9	12.2	13.1	13.0	14.0	13.4	12.0
Pacific Southwest	18	16.7	16.7	15.3	16.5	17.1	16.8	16.1	16.1	18.0	17.1	17.3	17.1	16.0
Total	132	14.6	15.9	13.9	14.4	14.2	14.6	13.6	12.6	14.4	13.9	16.3	16.1	15.0

WOMEN'S, CHILDREN'S, AND INFANTS' WEAR STORES

KINDS AND EXTENT OF CREDIT BUSINESS

According to returns from 523 women's, children's, and infants' wear stores, doing a total volume of business in 1927 of $133,852,426, approximately one-half of sales were for cash and one-half for credit. The exact figures are 49.4 per cent cash, 49.7 per cent open credit, and 0.9 per cent installment credit. Out of the total of 523 stores, 177 sold for cash only, 322 sold for cash and open credit only, 7 sold for cash and installment credit only, and 17 sold for cash, open credit, and installment credit.

On the basis of returns from 204 stores reporting for 1925, 1926, and 1927, it was found that in 1927 cash sales increased 7 per cent over those of 1925, open credit sales increased 15.6 per cent, and installment sales 31.2 per cent.

KINDS AND EXTENT OF CREDIT BUSINESS OF 523 WOMEN'S, CHILDREN'S, AND INFANTS' WEAR STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (177 stores)	17,111			17,111
Cash and open credit only (322 stores)	47,119	64,491		111,610
Cash and installment credit only (7 stores)	208		464	672
Cash, open credit, and installment credit (17 stores)	1,661	2,010	788	4,459
Total sales (523 stores)	66,099	66,501	1,252	133,852
Per cent of total sales	49.4	49.7	0.9	100

KINDS AND EXTENT OF CREDIT BUSINESS OF 204 WOMEN'S, CHILDREN'S, AND INFANTS' WEAR STORES IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Installment credit	Total
1925:				
Volume of sales	28,664	39,491	227	68,382
Per cent of total sales	41.9	57.7	0.4	100
1926:				
Volume of sales	29,294	42,895	262	72,451
Per cent of total sales	40.4	59.2	0.4	100
1927:				
Volume of sales	30,671	45,682	298	76,651
Per cent of total sales	40.0	59.6	0.4	100
Per cent change in volume of sales:				
1926 over 1925	+2.1	+8.6	+15.4	+5.9
1927 over 1926	+4.7	+6.4	+13.7	+5.7
1927 over 1925	+7.0	+15.6	+31.2	+12.1

KIND AND EXTENT OF CREDIT BUSINESS OF 332 WOMEN'S, CHILDREN'S, AND INFANTS' WEAR STORES IN 1927, GROUPED ACCORDING TO TOTAL SALES VOLUME AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $25,000	41	60.0	35.5	4.5
$25,000 to $49,999	44	40.0	36.9	3.1
$50,000 to $99,999	74	47.2	51.3	1.5
$100,000 to $249,999	92	43.2	54.8	2.0
$250,000 to $499,999	34	41.5	52.0	6.5
$500,000 to $999,999	21	38.1	61.9	
$1,000,000 and over	26	45.3	54.6	.1
REGION				
New England	28	47.5	49.6	2.9
Central Atlantic	81	42.7	57.2	.1
Mid-West	67	52.8	46.0	1.2
Southeast	17	28.9	70.8	.3
Gulf Southwest	41	41.7	57.8	.5
West Midcontinent	19	44.7	53.7	1.6
Central Northwest	14	45.6	53.7	.7
Pacific Northwest	12	33.7	52.6	13.7
Pacific Southwest	53	46.5	51.6	1.9
Total	332	44.0	54.8	1.2

CREDIT LOSSES

The average loss on open credit accounts of women's, children's, and infants' wear stores for the whole country was 0.5 per cent. The comparable figure for men's and boys' clothing stores was 1.1 per cent and for general clothing stores 0.7 per cent.

The range in open credit loss was from 1.2 per cent, the average for the stores with net sales from $50,000 to $99,999, to 0.3 per cent, the average for the stores with net sales of $1,000,000 and over.

The average loss on installment accounts for the whole country was 3.7 per cent. The comparable figure for men's and boys' clothing stores was 2.4 per cent and for general clothing stores 7.9 per cent. These are high installment losses, due, no doubt, to the fact that clothing which is the security for the payment of the balance due on the sale is not as durable as many other commodities and does not

have as high resale value; also to the fact that customers who buy clothing on installments are, as a rule, from the poorer classes and for this reason taken as a group are not especially good credit risks. The high credit losses do not mean that clothing can not be sold profitably on the installment plan. Credit loss is one of the costs of extending credit, but such loss may be taken care of in the mark-up. If the demand for clothing on installments is great enough the business is profitable in spite of the high credit loss.

LOSSES FROM BAD DEBTS OF 332 WOMEN'S, CHILDREN'S, AND INFANTS' WEAR STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $25,000	39	1.0	0.3	4	2.7	1.3
$25,000 to $49,999	43	.7	.2	2	1.4	.8
$50,000 to $99,999	73	1.2	.6	4	3.0	.8
$100,000 to $249,999	90	.6	.3	8	3.9	.9
$250,000 to $499,999	33	.6	.3	5	4.2	1.8
$500,000 to $999,999	21	.4	.3			
$1,000,000 and over	26	.3	.2	1		
REGION						
New England	26	.4	.2	3	4.4	1.7
Central Atlantic	81	.4	.2	4	2.8	.3
Mid-West	67	.6	.2	2	.8	.2
Southeast	16	1.0	.7	1	4.0	4.0
Gulf Southwest	41	.4	.2	3	.2	
West Midcontinent	17	.5	.2	4	1.4	.4
Central Northwest	14	.5	.3	2	.4	.05
Pacific Northwest	12	1.1	.6	2	4.8	3.0
Pacific Southwest	51	.4	.2	3	6.8	4.0
Total	325	.5	.2	24	3.7	.9

WOMEN'S, CHILDREN'S, AND INFANTS' WEAR STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open-account sales]

Ratio of loss	Total stores	Size group (sales volume)						
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 to $999,999	$1,000,000 and over
Less than 0.2 per cent	105	17	14	24	26	6	9	9
0.2 to 0.29 per cent	20	2		1	8	3	3	3
0.3 to 0.39 per cent	22	2	2	5	4	4	2	3
0.4 to 0.49 per cent	25	2		4	12	4		3
0.5 to 0.59 per cent	12		1	2	6	1	1	1
0.6 to 0.69 per cent	14			2	4	6	1	1
0.7 to 0.79 per cent	17		3	4	4	3	1	1
0.8 to 0.89 per cent	5				2	1	1	2
0.9 to 0.99 per cent	8	2		2	1	1		1
1 to 1.4 per cent	26	2	6	10	4	2	1	1
1.5 to 1.9 per cent	10		3	4	2	1		
2 to 2.9 per cent	24	2	6	3	10	1	2	
3 to 3.9 per cent	12	2	3	3	4			
4 to 4.9 per cent	7	1	2	3	1			
5 per cent and over	18	7	3	6	2			
Total	325	39	43	73	90	33	21	26

INSTALLMENT TERMS: DOWN PAYMENTS AND LIFE OF CONTRACTS

The table showing installment terms indicates that there is no standard rule among women's wear stores in regard to down payment or length of time over which payment of the balance due is extended. Some merchants require a down payment of only 10 per cent, while others require 20, 25, 33⅓, and even 50 per cent of purchase price. Some merchants require the balance to be paid in a maximum of 2, 2½, or 3 months, whereas many allow 6 months, and two stores gave the life of the contract as from 6 to 12 months. In these cases it is quite probable that the retailer carried fur goods along with other women's clothing and that the 12-month term applied to that commodity.

INSTALLMENT CREDIT TERMS OF 22 WOMEN'S, CHILDREN'S, AND INFANTS' WEAR STORES IN 1927

Store No.	Down payment	Number of payments	Life of contract	Store No.	Down payment	Number of payments	Life of contract
	Per cent		*Months*		*Per cent*		*Months*
1	10	10	2½	12	20	2–4	2–4
2	10	3, 5, 10	3	13	20	8	4
3	10	12	3	14	20	5	3
4	10	12	6	15	25	6–26	6
5	10	26	6	16	25	10	1–6
6	10	26–52	6–12	17	25	3	3
7	10–25	1–4	4	18	25	4–6	1–2
8	10–20	2	6	19	25	6–26	6
9	10–25	6–26	6	20	25–50	3–6	3
10	10–25	[1]	6–12	21	33⅓	25	6
11	10–33⅓	3–13	6	22	50	4	1–6

[1] No standard rule.

USE OF CREDIT BUREAUS

Of the 328 stores reporting on the use of credit bureaus, 276 stores, or 84.1 per cent, made use of credit bureaus as compared with 52, or 15.9 per cent, which did not.

Of the 322 stores which reported on the subject of making credit investigations of their own, 115 stores, or 35.7 per cent, relied wholly on the credit bureau for information; 155, or 48.1 per cent, supplemented the use of the credit bureau with investigations of their own; and 52 stores, or 16.2 per cent, made no use of credit bureaus.

The average open credit loss of those stores which relied entirely on the credit bureaus was 0.5 per cent, of those which used credit bureaus and supplemented the use of the bureau with investigations of their own 0.4 per cent, and of those which did not use credit bureaus 0.7 per cent.

The stores which used credit bureaus had an average loss on installment sales of 3.2 per cent. The stores which did not use bureaus had a larger loss, 5.4 per cent.

97358—30——3

SOURCE OF CREDIT INFORMATION OF WOMEN'S, CHILDREN'S, AND INFANTS' WEAR STORES IN 1927

Classification	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Stores using credit bureaus and making no investigations of their own (115 stores, 35.7 per cent):			
Open credit	115	0.5	0.3
Installment credit	5	1.9	.2
Stores using credit bureaus and also making investigations of their own (155 stores, 48.1 per cent):			
Open credit	151	.4	.2
Installment credit	13	3.9	.8
All stores making use of credit bureaus (276 stores, 84.1 per cent):			
Open credit	272	.5	.2
Installment credit	20	3.2	.6
Stores not making use of credit bureaus (52 stores, 15.9 per cent):			
Open credit	49	.7	.2
Installment credit	4	5.4	3.8

CHAIN STORES SELLING WOMEN'S, CHILDREN'S, AND INFANTS' WEAR

Out of a total of 332 stores doing credit business, 16, or 4.8 per cent, were chain stores, and 316, or 95.2 per cent, were not. The individual establishment decided the question whether it was a chain store.

Chain stores had higher credit losses, on the average, than other stores. They had an average loss of 0.6 per cent on open credit as contrasted with an average loss of 0.5 per cent for other stores. The average loss on installment accounts of chain stores was 5.7 per cent; of other stores, 3.1 per cent.

LOSSES FROM BAD DEBTS OF CHAIN STORES SELLING WOMEN'S, CHILDREN'S, AND INFANTS' WEAR, COMPARED WITH THOSE OF OTHER SUCH STORES, IN 1927

Type	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Chain stores (16 stores, 4.8 per cent):			
Open credit	16	0.6	0.1
Installment credit	2	5.7	3.2
All others (316 stores, 95.2 per cent):			
Open credit	309	.5	.2
Installment credit	2.	3.1	.6

RETURNS AND ALLOWANCES

The percentage of returns and allowances on gross cash sales was 4.5 per cent and on open credit sales 14.3 per cent. There were eight individual stores with returns on open credit sales over 20 per cent, and two of them had over 25 per cent.

The Central Atlantic States had the highest average returns on open credit sales, which was 16.2 per cent, and the New England States had the next highest, which was 15.2 per cent.

The group with sales of $1,000,000 and over had an average of 16.4 per cent, the largest for any group. As a rule, the smaller stores had much lower percentages than the larger ones.

RETURNS AND ALLOWANCES OF WOMEN'S, CHILDREN'S, AND INFANTS' WEAR STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Cash		Open credit	
	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances
SALES VOLUME				
Less than $25,000	5	3.9	7	7.8
$25,000 to $49,999	6	.6	8	3.3
$50,000 to $99,999	20	1.9	25	4.5
$100,000 to $249,999	25	2.9	34	6.3
$250,000 to $499,999	11	1.9	11	14.4
$500,000 to $999,999	8	5.3	12	10.9
$1,000,000 and over	19	4.9	21	16.4
REGION				
New England	12	6.9	16	15.2
Central Atlantic	27	4.7	40	16.2
Mid-West	22	3.9	12	14.1
Southeast	2	1.6	5	10.6
Gulf Southwest	12	2.9	15	11.6
West Midcontinent	3	.8	6	4.6
Central Northwest	2	3.4	5	11.1
Pacific Northwest	2	7.3	3	9.6
Pacific Southwest	12	1.8	16	12.8
Total	94	4.5	118	14.3

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF WOMEN'S, CHILDREN'S, AND INFANTS' WEAR STORES IN 1927

[Percentages based on gross sales]

Sales volume	Stores having returns and allowances—					
	Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 to 19.9 per cent	20 to 24.9 per cent	25 per cent and over
Less than $25,000	3	2	1			1
$25,000 to $49,999	6	2				
$50,000 to $99,999	17	5	3			
$100,000 to $249,999	17	9	5	2	1	
$250,000 to $499,999		5	4		2	
$500,000 to $999,999	1	5	4	1	1	
$1,000,000 and over		8	8	2	2	1
Total	44	36	25	5	6	2

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all stores to the outstanding balances due of the same stores when books were closed for the preceding month. The open account collection for 159 stores was 41.3 per cent.

The Central Northwest States had the highest open account collection percentage, which was 53.7 per cent. It is interesting to note that this same section of the country had the highest percentage for department stores.

The table on monthly collection of open credit accounts shows that the percentage was highest for January, which had an average of 44.4 per cent, and lowest for September, which had an average of 36.8 per cent.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF WOMEN'S, CHILDREN'S, AND INFANTS' WEAR STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $25,000	3	46.8	35.7	47.8	56.0	50.0	50.0	55.1	40.7	37.5	45.4	42.3	51.6	42.8
$25,000 to $49,999	14	45.7	51.3	42.5	43.4	37.3	39.3	44.1	42.9	36.6	38.6	68.7	49.4	50.3
$50,000 to $99,999	27	41.1	45.6	36.7	43.7	45.0	42.5	41.4	36.1	34.5	35.1	43.8	43.6	42.3
$100,000 to $249,999	50	39.9	40.0	34.8	38.1	39.7	39.1	41.2	36.3	35.1	51.1	43.1	41.1	39.5
$250,000 to $499,999	25	37.9	41.1	37.1	39.2	44.1	41.6	37.8	34.7	34.3	31.0	37.7	38.9	37.0
$500,000 to $999,999	16	36.9	40.5	36.0	37.6	37.5	37.2	36.0	32.4	32.9	32.6	39.2	40.0	38.2
$1,000,000 and over	24	43.4	46.8	42.4	44.0	45.6	44.9	43.5	41.6	39.4	36.8	43.6	46.7	42.3
REGION														
New England	16	42.4	46.0	41.8	43.2	45.7	43.4	44.4	41.9	39.8	33.8	40.5	44.5	43.1
Central Atlantic	41	45.0	50.6	43.2	45.5	47.9	46.7	44.7	41.6	37.8	40.5	45.5	48.0	45.0
Mid-West	29	38.4	42.0	35.9	39.7	39.1	39.0	38.4	35.3	36.1	33.4	42.4	41.5	37.5
Southeast	10	34.6	37.2	35.4	35.8	36.2	34.8	34.6	32.4	31.0	29.8	34.4	39.8	31.5
Gulf Southwest	24	37.9	38.4	37.7	38.6	39.7	40.2	38.5	35.7	35.8	32.9	38.6	41.0	36.2
West Midcontinent	9	38.7	40.2	38.6	41.0	38.7	39.2	39.4	37.9	38.5	34.3	37.6	39.2	39.7
Central Northwest	5	53.7	53.1	51.7	53.0	57.1	48.3	50.5	50.7	49.4	62.9	60.2	56.8	49.9
Pacific Northwest	2	31.6	34.1	31.1	34.1	32.5	30.5	31.2	27.5	26.0	30.5	35.0	30.9	34.1
Pacific Southwest	23	35.7	38.4	31.2	36.1	37.4	38.2	35.2	32.4	35.2	32.1	38.5	36.7	36.2
Total	159	41.3	44.4	39.8	41.8	43.4	42.6	41.4	38.7	37.1	36.8	42.3	44.1	40.8

MEN'S AND BOYS' CLOTHING STORES

KINDS AND EXTENT OF CREDIT BUSINESS

Reports from 843 men's and boys' clothing stores with total net sales of $129,616,102 for the year 1927 indicate that 63.8 per cent of sales were for cash, 33.4 per cent on open credit, and 2.8 per cent on installment credit. Out of the total of 843 stores, 295 sold for cash only, 514 sold for cash and open credit only, 13 sold for cash and installment credit only, and 21 sold for cash, open credit, and installment credit.

On the basis of returns from 360 stores reporting for 1925, 1926, and 1927, it was found that cash sales increased 2.8 per cent in 1927 over 1925, open credit sales increased 9.7 per cent, and installment credit sales 13.5 per cent.

KINDS AND EXTENT OF CREDIT BUSINESS OF 843 MEN'S AND BOYS' CLOTHING STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (295 stores)	28,927			28,927
Cash and open credit only (514 stores)	46,985	40,143		87,128
Cash and installment credit only (13 stores)	581		841	1,422
Cash, open credit, and installment credit (21 stores)	6,162	3,117	2,860	12,139
Total sales (843 stores)	82,655	43,260	3,701	129,616
Per cent of total sales	63.8	33.4	2.8	100

KINDS AND EXTENT OF CREDIT BUSINESS OF 360 MEN'S AND BOYS' CLOTHING STORES IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Installment credit	Total
1925:				
Volume of sales	42,533	20,123	155	62,811
Per cent of total sales	67.7	32.0	0.3	100
1926:				
Volume of sales	44,368	21,334	203	65,905
Per cent of total sales	67.3	32.3	0.4	100
1927:				
Volume of sales	43,703	22,070	176	65,949
Per cent of total sales	66.2	33.5	0.3	100
Per cent change in volume of sales:				
1926 over 1925	+4.3	+6.0	+31.0	+4.9
1927 over 1926	−1.5	+3.4	−13.3	+0.1
1927 over 1925	+2.8	+9.7	+13.5	+5.0

KIND AND EXTENT OF CREDIT BUSINESS OF 548 MEN'S AND BOYS' CLOTHING STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $25,000	60	64.8	35.0	0.2
$25,000 to $49,999	112	64.5	34.2	1.3
$50,000 to $99,999	159	57.4	40.6	2.0
$100,000 to $249,999	139	57.3	39.9	2.8
$250,000 to $499,999	45	52.9	44.7	2.4
$500,000 to $999,999	17	43.4	56.6	
$1,000,000 and over	16	52.0	41.2	6.8
REGION				
New England	34	60.4	38.3	1.3
Central Atlantic	107	49.7	48.4	1.9
Mid-West	166	52.3	38.1	9.6
Southeast	28	51.0	49.0	
Gulf Southwest	62	51.6	48.4	
West Midcontinent	43	53.8	44.7	1.5
Central Northwest	19	51.3	48.7	
Pacific Northwest	28	67.0	26.7	6.3
Pacific Southwest	60	61.6	36.5	1.9
Total, including one store, district not shown	548	53.5	42.9	3.6

CREDIT LOSSES

The average loss on open credit accounts for men's and boys' clothing stores was 1.1 per cent.

The losses on open credit accounts varied inversely with the size of stores; the larger the store, the smaller the loss. The various size groups, going from smaller to larger, had average losses of 3, 1.7, 1.6, 1.3, 1.1, 0.7, and 0.7 per cent.

There were 86 stores with the very low losses on open credit of less than 0.2 per cent. At the other extreme were 54 stores with losses of 5 per cent or over.

LOSSES FROM BAD DEBTS OF 548 MEN'S AND BOYS' CLOTHING STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $25,000	60	3.0	1.0	3	0.9	0.07
$25,000 to $49,999	110	1.7	.6	5	8.2	2.8
$50,000 to $99,999	154	1.6	.6	8	1.2	.5
$100,000 to $249,999	134	1.3	.5	11	2.7	.9
$250,000 to $499,999	44	1.1	.5	6	1.5	.2
$500,000 to $999,999	17	.7	.4			
$1,000,000 and over	16	.7	.3	1	2.4	.6
REGION						
New England	33	.5	.2	2	1.1	.9
Central Atlantic	104	.9	.4	6	2.7	.8
Mid-West	161	1.3	.5	12	2.5	.6
Southeast	28	1.7	.8			
Gulf Southwest	62	.9	.4			
West Midcontinent	42	1.4	.6	6	1.1	.1
Central Northwest	19	1.2	.5			
Pacific Southwest	59	1.0	.3	3	2.9	.7
Pacific Northwest	26	2.5	.7	5	1.7	.6
Total, including one store, district not shown	535	1.1	.4	34	2.4	.6

MEN'S AND BOYS' CLOTHING STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total stores	Size group (sales volume)						
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 to $999,999	$1,000,000 and over
Less than 0.2 per cent	86	17	24	21	14	8	1	1
0.2 to 0.29 per cent	19		1	6	10		1	1
0.3 to 0.39 per cent	18		1	6	4	2	2	3
0.4 to 0.49 per cent	21	2	5	3	5	1	3	2
0.5 to 0.59 per cent	21	2	5	5	4	2	1	2
0.6 to 0.69 per cent	29	2	5	8	6	4	2	2
0.7 to 0.79 per cent	21		5	7	5	1	2	1
0.8 to 0.89 per cent	18		3	8	3	4		
0.9 to 0.99 per cent	28	1	3	8	9	6		1
1 to 1.4 per cent	80	7	8	29	25	9	1	1
1.5 to 1.9 per cent	48	2	10	14	14	3	3	2
2 to 2.9 per cent	47	6	15	10	15	1		
3 to 3.9 per cent	29	4	6	8	10	1		
4 to 4.9 per cent	16	2	5	6	1	1	1	
5 per cent and over	54	15	14	15	9	1		
Total	535	60	110	154	134	44	17	16

INSTALLMENT TERMS: DOWN PAYMENTS AND LIFE OF CONTRACTS

The table on installment terms shows considerable variation among men's and boys' clothing stores in regard to down payment and length of time over which the balance due is extended. Twenty-four out of the twenty-eight stores reporting required at least 20 per cent down payment. Eight of these stores required 25 per cent, and six required 33⅓ per cent. In regard to life of contract there was more uniformity among men's and boys' clothing stores than among women's, children's, and infants' wear stores. Ten of the 28 stores gave the life of the contract as two and one-half months with the balance payable in 10 installments. These stores used the so-called 10-payment plan of retailing men's clothing. Two stores allowed seven months for the payment of balance, which was the longest period reported.

INSTALLMENT CREDIT TERMS OF 28 MEN'S AND BOYS' CLOTHING STORES IN 1927

Store No.	Down payment	Number of payments	Life of contract	Store No.	Down payment	Number of payments	Life of contract
	Per cent		*Months*		*Per cent*		*Months*
1	(1)	10	3	15	25	10	2½
2	10–25	5–10	2½	16	25	10	2½
3	10–25	1–10	2½	17	25	10	2½
4	16⅔	30	7	18	25	10	2½
5	20	10	1½	19	25	3	3
6	20	5	5	20	25	10	3
7	20	5	5	21	25	12	4
8	20	5–10	5	22	25–33⅓	4–10	1–2½
9	20	5	5	23	33⅓	3	2
10	20	5–10	5	24	33⅓	5–10	2½
11	20	20	7	25	33⅓	10	2½
12	20–25	10	2½	26	33⅓	10	3
13	20–33⅓	10	2½	27	33⅓	3–12	3
14	25	4	2	28	33⅓	3–10	2–5

[1] No designated amount.

USE OF CREDIT BUREAUS

Of the 535 men's and boys' clothing stores reporting on the use of credit bureaus, 416, or 77.7 per cent, made use of credit bureaus as compared with 119, or 22.3 per cent, which did not.

Of the 525 stores which reported on the subject of making credit investigations of their own, 131 stores, or 24.9 per cent, relied wholly on the credit bureau for information; 275, or 52.4 per cent, supplemented the use of the credit bureau with investigations of their own; and 119, or 22.7 per cent, made no use of credit bureaus.

The average open credit loss of the stores which relied wholly on the credit bureau was 1 per cent, of those which used a credit bureau and supplemented its use with investigations of their own 1.1 per cent, and of those which did not use a credit bureau 1.7 per cent.

These three groups showed a reverse situation in regard to installment losses. The first group, those relying entirely on credit bureaus, had an average loss of 5.1 per cent, the second group had a loss of 1.6 per cent, and the third a loss of 0.06 per cent. Perhaps it should be pointed out that the data on the use of credit bureaus and installment losses is based on a small number of stores, 33 in all. Six of the 33 relied wholly on the credit bureaus for information in extending installment credit, 16 used bureaus and supplemented their use with investigations of their own, and 11 did not use bureaus.

SOURCE OF CREDIT INFORMATION OF MEN'S AND BOYS' CLOTHING STORES IN 1927

Classification	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
Stores using credit bureaus and making no investigations of their own (131 stores, 24.9 per cent):		*Per cent*	*Per cent*
Open credit	130	1.0	0.4
Installment credit	6	5.1	.7
Stores using credit bureaus and also making investigations of their own (275 stores, 52.4 per cent):			
Open credit	270	1.1	.4
Installment credit	16	1.6	.4
All stores making use of credit bureaus (416 stores, 77.7 per cent):			
Open credit	409	1.0	.4
Installment credit	23	1.8	.4
Stores not making use of credit bureaus (119 stores, 22.3 per cent):			
Open credit	113	1.7	.4
Installment credit	11	.06	.03

MEN'S AND BOYS' CLOTHING CHAIN STORES

Out of a total of 548 stores doing credit business, 16, or 2.9 per cent were chain stores, and 532, or 97.1 per cent, were not. The individual establishment decided the question whether it was a chain store.

The chain stores had an average loss on their open credit sales of 1.3 per cent; other stores had a lower figure, 1 per cent.

LOSSES FROM BAD DEBTS OF MEN'S AND BOYS' CLOTHING CHAIN STORES COMPARED WITH THOSE OF OTHER MEN'S AND BOYS' CLOTHING STORES IN 1927

Type	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
Chain men's and boys' clothing stores (16 stores, 2.9 per cent):		*Per cent*	*Per cent*
Open credit	14	1.3	0.3
Installment credit	2		
All others (532 stores, 97.1 per cent):			
Open credit	521	1.0	.4
Installment credit	32	1.7	.4

RETURNS AND ALLOWANCES

The percentage of returns and allowances on gross cash sales was 2.4 per cent and on open credit sales 7 per cent. There were three individual stores with returns on open credit sales over 20 per cent; one had over 25 per cent.

Men's and boys' clothing stores had much smaller percentages of returns and allowances than women's, children's, and infants' wear stores.

RETURNS AND ALLOWANCES OF MEN'S AND BOYS' CLOTHING STORES IN 1927, GROUPED ACCORDING TO TOTAL SALES VOLUME AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Cash		Open credit	
	Stores	Returns and allowances	Stores	Returns and allowances
SALES VOLUME		*Per cent*		*Per cent*
Less than $25,000	4	0.9	5	7.0
$25,000 to $49,999	11	2.1	14	3.2
$50,000 to $99,999	28	1.4	36	3.6
$100,000 to $249,999	40	1.6	36	4.4
$250,000 to $499,999	12	4.3	14	7.1
$500,000 to $999,999	4	3.0	8	6.2
$1,000,000 and over	3	2.2	5	10.2
REGION				
New England	7	1.1	4	10.2
Central Atlantic	24	3.2	34	5.6
Mid-West	27	2.1	21	3.7
Southeast	4	.6	6	2.4
Gulf Southwest	12	2.1	18	9.7
West Midcontinent	7	1.8	10	5.3
Central Northwest	5	.5	5	2.4
Pacific Northwest	6	3.5	7	7.2
Pacific Southwest	10	3.1	13	6.4
Total	102	2.4	118	7.0

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF MEN'S AND BOYS' CLOTHING STORES IN 1927

[Percentages based on gross sales]

Sales volume	Stores having returns and allowances—					
	Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 to 19.9 per cent	20 to 24.9 per cent	25 per cent and over
Less than $25,000	3	1				1
$25,000 to $49,999	9	3	1	1		
$50,000 to $99,999	30	3	1	1	1	
$100,000 to $249,999	24	9	1	2		
$250,000 to $499,999	5	5	2	1	1	
$500,000 to $999,999	4	2	1	1		
$1,000,000 and over	2	1	2			
Total	77	24	8	6	2	1

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of monthly collections on accounts receivable of all stores to the outstanding balances due of the same stores when books were closed for the preceding month. The open account collection for 233 stores was 37.4 per cent. The corresponding figure for women's, children's, and infants' wear stores was 41.3 per cent and for department stores 44.5 per cent.

The monthly collection percentages ranged from 33.4 per cent in August to 39.8 per cent in January and April.

97358—30——4

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF MEN'S AND BOYS' CLOTHING STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $25,000	5	36.2	38.1	35.7	57.7	57.0	40.5	43.1	33.5	35.7	28.2	36.1	28.5	20.4
$25,000 to $49,999	30	28.6	30.9	26.0	27.0	33.2	26.5	28.5	26.8	27.5	25.1	30.5	29.6	30.7
$50,000 to $99,999	63	28.4	26.8	24.5	27.4	28.3	37.4	29.7	26.7	25.0	26.8	28.6	28.9	29.7
$100,000 to $249,999	77	33.0	37.3	33.4	30.9	34.6	31.9	31.8	31.1	29.0	29.5	35.3	32.4	37.3
$250,000 to $499,999	33	35.9	37.5	34.3	35.1	38.7	36.4	35.2	33.9	33.6	34.6	37.1	36.9	37.3
$500,000 to $999,999	12	40.4	41.7	37.7	40.2	45.4	42.8	41.5	38.8	34.3	36.1	40.1	42.4	42.6
$1,000,000 and over	13	43.2	45.4	42.6	42.5	45.4	42.8	43.1	43.2	39.2	38.6	45.1	44.2	44.4
REGION														
New England	11	42.2	45.8	42.1	41.5	42.9	42.9	44.6	41.7	35.4	37.0	41.0	44.7	44.9
Central Atlantic	53	37.2	39.9	36.2	35.6	39.6	38.6	37.5	36.5	32.3	32.4	37.0	38.2	40.7
Mid-West	55	39.3	42.3	38.8	38.4	43.7	42.1	37.5	36.9	36.0	35.3	42.4	38.2	39.4
Southeast	17	24.7	29.8	23.9	23.6	25.2	24.6	28.1	21.9	19.7	20.8	26.0	26.0	27.2
Gulf Southwest	36	37.9	37.9	36.7	37.8	39.6	37.6	37.0	37.2	34.9	37.0	39.8	40.3	38.9
West Midcontinent	18	31.2	31.7	27.9	29.8	32.4	30.1	29.5	31.1	29.7	30.6	33.8	34.3	33.5
Central Northwest	10	30.0	28.2	26.7	27.7	30.4	26.9	30.0	25.9	28.9	29.1	34.0	33.6	37.6
Pacific Northwest	12	32.9	33.1	28.0	30.6	31.0	29.4	32.1	26.7	31.5	35.7	40.3	35.9	39.2
Pacific Southwest	21	40.9	43.7	40.2	41.4	45.6	41.3	41.1	39.3	37.9	37.2	41.3	39.0	42.5
Total	233	37.4	39.8	36.3	36.4	39.8	38.2	37.1	36.0	33.4	33.9	38.6	38.3	39.4

GENERAL CLOTHING STORES

KINDS AND EXTENT OF CREDIT BUSINESS

Reports from 1,616 general clothing stores with total net sales of $254,877,852 for the year 1927 indicate that 78.4 per cent of sales were for cash, 18 per cent were on open credit, and 3.6 per cent on installment credit. Out of the total of 1,616 stores, 1,276 sold for cash only, 258 sold for cash and open credit only, 61 sold for cash and installment credit only, and 21 sold for cash, open credit, and installment credit.

On the basis of returns from 182 stores reporting for 1925, 1926, and 1927, it was found that cash sales decreased 0.4 per cent in 1927 over 1925, open credit sales increased 7.3 per cent, and installment credit sales increased 9.5 per cent.

Considering only those stores which did credit business, it was found that 38.8 per cent of sales were for cash, 51.1 per cent were on open credit, and 10.1 per cent on installment credit.

KINDS AND EXTENT OF CREDIT BUSINESS OF 1,616 GENERAL CLOTHING STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (1,276 stores)	164,596			164,596
Cash and open credit only (258 stores)	33,834	44,878		78,712
Cash and installment credit only (61 stores)	420		7,970	8,390
Cash, open credit, and installment credit (21 stores)	915	1,136	1,128	3,179
Total sales (1,616 stores)	199,765	46,014	9,098	254,877
Per cent of total sales	78.4	18	3.6	100

KINDS AND EXTENT OF CREDIT BUSINESS OF 182 GENERAL CLOTHING STORES IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Installment credit	Total
1925:				
Volume of sales	26,033	22,813	4,276	53,122
Per cent of total sales	49	43	8	100
1926:				
Volume of sales	26,314	23,963	4,409	54,686
Per cent of total sales	48.1	43.8	8.1	100
1927:				
Volume of sales	25,943	24,485	4,684	55,112
Per cent of total sales	47.1	44.4	8.5	100
Per cent change in volume of sales:				
1926 over 1925	+1.1	+5.0	+3.1	+2.9
1927 over 1926	−1.4	+2.2	+6.2	+.8
1927 over 1925	−.4	+7.3	+9.5	+3.7

KINDS AND EXTENT OF CREDIT BUSINESS OF 336 GENERAL CLOTHING STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $25,000	45	61.9	31.1	7.0
$25,000 to $49,999	64	52.5	33.0	14.5
$50,000 to $99,999	86	36.7	31.0	32.3
$100,000 to $249,999	70	46.5	35.1	18.4
$250,000 to $499,999	27	45.2	37.9	16.9
$500,000 to $999,999	23	35.9	46.5	17.6
$1,000,000 and over	21	35.6	63.8	.6
REGION				
New England	24	53.9	27.6	18.5
Central Atlantic	56	30.6	36.7	32.7
Mid-West	84	43.1	35.2	21.7
Southeast	25	42.8	45.8	11.4
Gulf Southwest	39	40.7	52.1	7.2
West Midcontinent	27	49.1	50.8	.1
Central Northwest	13	61.2	38.6	.2
Pacific Northwest	6	51.1	48.9	
Pacific Southwest	41	39.8	25.4	34.8
Total	336	38.8	51.1	10.1

CREDIT LOSSES

The average loss on open credit accounts for general clothing stores was 0.7 per cent. Out of a total of 275 stores reporting on open credit losses, there were 53 with the very low loss on open credit sales of less than 0.2 per cent. At the other extreme were 20 stores with losses of 5 per cent or over.

The average loss on installment credit accounts was 7.9 per cent. Out of a total of 82 stores selling on the installment plan, 12 had losses less than 0.2 per cent and 38 had losses of 5 per cent or over.

LOSSES FROM BAD DEBTS OF 336 GENERAL CLOTHING STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $25,000	38	2.0	0.7	8	6.2	3.0
$25,000 to $49,999	55	2.1	.8	12	6.0	4.6
$50,000 to $99,999	59	2.0	.9	35	7.3	5.8
$100,000 to $249,999	59	1.0	.4	16	6.4	5.1
$250,000 to $499,999	24	.6	.2	6	9.5	7.6
$500,000 to $999,999	19	.9	.5	4	9.2	8.9
$1,000,000 and over	21	.5	.3	1	2.5	.6
REGION						
New England	17	.4	.1	10	3.6	1.9
Central Atlantic	44	.2	.1	20	12.7	11.3
Mid-West	72	1.1	.5	22	5.4	4.5
Southeast	24	.4	.8	4	15.7	14.4
Gulf Southwest	37	1.2	.7	8	7.9	4.8
West Midcontinent	28	.9	.5	2	10.5	.2
Central Northwest	14	.7	.3	2	.7	----
Pacific Northwest	6	1.6	.8	----	----	----
Pacific Southwest	32	1.1	.5	14	4.9	4.4
Total	[1] 275	.7	.4	82	7.9	6.2

[1] Including 1 store, district not shown.

GENERAL CLOTHING STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total stores	Size group (sales volume)						
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 to $999,999	$1,000,000 and over
Less than 0.2 per cent	53	10	9	9	10	7	4	4
0.2 to 0.29 per cent	12	----	2	3	----	2	2	3
0.3 to 0.39 per cent	7	----	2	1	2	1	1	----
0.4 to 0.49 per cent	10	----	1	1	4	1	1	2
0.5 to 0.59 per cent	14	1	2	2	4	2	1	2
0.6 to 0.69 per cent	13	----	----	3	4	2	1	3
0.7 to 0.79 per cent	9	----	2	1	4	1	1	----
0.8 to 0.89 per cent	10	----	1	3	4	----	----	2
0.9 to 0.99 per cent	16	1	2	4	6	----	3	----
1 to 1.49 per cent	33	4	4	10	5	5	3	2
1.5 to 1.9 per cent	17	2	1	7	4	1	1	1
2 to 2.9 per cent	32	5	10	7	6	2	----	2
3 to 3.9 per cent	20	6	7	3	4	----	----	----
4 to 4.9 per cent	9	2	5	----	1	----	1	----
5 per cent and over	20	7	7	5	1	----	----	----
Total	275	38	55	59	59	24	19	21

GENERAL CLOTHING STORES GROUPED ACCORDING TO SIZE OF INSTALLMENT CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on installment accounts to installment account sales]

Ratio of loss	Total stores	Size group (sales volume)						
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 to $999,999	$1,000,000 and over
Less than 0.2 per cent	12	3	2	4	2	1	----	----
0.2 to 0.29 per cent	----	----	----	----	----	----	----	----
0.3 to 0.39 per cent	----	----	----	----	----	----	----	----
0.4 to 0.49 per cent	----	----	----	----	----	----	----	----
0.5 to 0.59 per cent	----	----	----	----	----	----	----	----
0.6 to 0.69 per cent	1	----	----	1	----	----	----	----
0.7 to 0.79 per cent	1	----	----	1	----	----	----	----
0.8 to 0.89 per cent	----	----	----	----	----	----	----	----
0.9 to 0.99 per cent	1	----	----	1	----	----	----	----
1 to 1.4 per cent	3	----	----	2	----	----	1	----
1.5 to 1.9 per cent	3	1	1	----	1	----	----	1
2 to 2.9 per cent	7	----	1	4	1	----	----	----
3 to 3.9 per cent	8	----	2	3	2	1	----	----
4 to 4.9 per cent	8	1	1	1	3	1	1	----
5 per cent and over	38	3	5	18	7	3	2	----
Total	82	8	12	35	16	6	4	1

INSTALLMENT TERMS: DOWN PAYMENTS AND LIFE OF CONTRACTS

The table on installment terms and losses of general clothing stores shows that there is considerable variation among retailers in regard to down payment and length of time over which the balance due is extended, and that the credit losses on installment sales are high. There was one store with a loss on its installment sales of 29 per cent. This same store did an exceptionally large proportion of its business on installment credit, which made these losses a serious matter. There were a number of stores with losses of over 10 per cent on their installment sales. These stores also did an exceptionally large proportion of their business on installment credit.

TERMS AND LOSS ON INSTALLMENT SALES OF 70 GENERAL CLOTHING STORES IN 1927

Down payment	Life of contract, in months	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
			Per cent	*Per cent*
10 per cent or less	6 or less	20	9.1	8.7
	6 or less to 12	1	29.0	21.7
	7 to 12	3	9.5	9.5
	13 to 18	1	9.1	8.2
10 or less to 25 per cent	6 or less	7	2.3	2.1
	6 or less to 12	1	4.1	4.0
	7 to 12	1	1.9	1.8
10 or less to 33⅓ per cent	6 or less	7	6.9	6.3
	6 or less to 12	2	7.1	1.8
	7 to 12	1	4.3	4.3
10 or less to more than 33⅓ per cent	6 or less to 36	1	6.7	6.6
11 to 24 per cent	6 or less	8	8.9	8.2
	6 or less to 18	1	2.5	.6
	13 to 24	1	9.9	9.3
11 to 33⅓ per cent	6 or less	1	----	----
25 per cent	do	13	10.8	9.8
25 to 33⅓ per cent	do	1	.6	.4

USE OF CREDIT BUREAUS

There were 330 stores reporting on the use of credit bureaus, 238 or 72.1 per cent of which made use of credit bureaus and 92 or 27.9 per cent of which did not.

Of the 325 stores which reported on the subject of making credit investigations of their own, 65 stores, or 20 per cent, relied wholly on the credit bureau for information; 168, or 51.9 per cent, supplemented the use of the credit bureau with investigations of their own; and 92, or 28.1 per cent, made no use of credit bureaus. The stores which used credit bureaus had an average open credit loss of 0.7 per cent; those which did not use credit bureaus had an average more than twice as great, the figure being 1.5 per cent.

The stores which used credit bureaus had an installment credit loss of 5.7 per cent; those which did not use bureaus had a loss almost three times as great, the average being 15 per cent.

The groups which relied entirely on credit bureaus had an average open credit loss of 0.6 per cent, the ones which used credit bureaus and supplemented them with investigations of their own had 0.9 per cent, and those which did not use bureaus had 1.5 per cent.

These three groups had installment credit losses of 5.7, 5.7, and 15 per cent, respectively.

SOURCE OF CREDIT INFORMATION OF GENERAL CLOTHING STORES IN 1927

Classification	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Stores using credit bureaus and making no investigations of their own (65 stores, 20 per cent):			
Open credit	61	0.6	0.3
Installment credit	8	5.7	4.4
Stores using credit bureaus and also making investigations of their own (168 stores, 51.9 per cent):			
Open credit	128	.9	.5
Installment credit	52	5.7	4.3
All stores making use of credit bureaus (238 stores, 72.1 per cent):			
Open credit	194	.7	.4
Installment credit	60	5.7	4.3
Stores not making use of credit bureaus (92 stores, 27.9 per cent):			
Open credit	77	1.5	.5
Installment credit	19	15.0	13.8

GENERAL CLOTHING CHAIN STORES

Out of a total of 336 stores doing credit business, 40, or 11.9 per cent, were chain stores and 296, or 88.1 per cent, were not. The individual establishment decided the question whether it was to be classified as a chain store.

Chain stores had higher credit losses than other stores. They had an average loss of 0.9 per cent on open credit as contrasted with an average loss of 0.7 per cent for other stores. The average loss on installment accounts of chain stores was 11.9 per cent and of other stores 5.2 per cent.

LOSSES FROM BAD DEBTS OF CHAIN GENERAL CLOTHING STORES COMPARED WITH THOSE OF OTHER GENERAL CLOTHING STORES IN 1927

Type	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
Chain general clothing stores (40 stores, 11.9 per cent):			
Open credit	15	0.9	0.4
Installment credit	25	11.9	11.3
All others (296 stores, 88.1 per cent):			
Open credit	260	.7	.4
Installment credit	57	5.2	3.6

RETURNS AND ALLOWANCES

The returns and allowances on gross cash sales were 4.7 per cent, on open credit sales 11.8 per cent, and installment sales 5.7 per cent.

The groups with sales of $1,000,000 and over had the high average of 13 per cent on open credit sales. The Central Atlantic States had the highest average of returns and allowances on open credit sales, 14 per cent of gross sales.

RETURNS AND ALLOWANCES OF GENERAL CLOTHING STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Cash		Open credit		Installment credit	
	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances
SALES VOLUME						
Less than $25,000	9	2.3	7	8.2	1	4.4
$25,000 to $49,999	11	2.6	9	5.7	8	5.5
$50,000 to $99,999	15	2.2	13	9.7	21	3.5
$100,000 to $249,999	9	1.5	13	5.2	6	4.9
$250,000 to $499,999	8	1.9	12	8.5	2	4.7
$500,000 to $999,999	9	1.7	8	6.4	2	9.6
$1,000,000 and over	13	6.2	17	13.0	1	1.4
REGION						
New England	5	2.9	8	7.3	6	2.3
Central Atlantic	16	4.5	20	14.0	13	3.1
Mid-West	24	2.2	18	9.2	14	8.1
Southeast	3	3.3	3	11.3		
Gulf Southwest	9	1.4	11	6.6	2	5.1
West Midcontinent	4	.5	4	3.6		
Central Northwest	1	10.6	3	11.2	2	7.5
Pacific Northwest	1	1.5	1	4.8		
Pacific Southwest	11	8.2	11	13.6	4	6.7
Total	74	4.7	79	11.8	41	5.7

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF GENERAL CLOTHING STORES IN 1927

[Percentages based on gross sales]

Sales volume	Total stores	Stores having returns and allowances—					
		Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 to 19.9 per cent	20 to 24.9 per cent	25 per cent and over
Less than $25,000	7	4		2			1
$25,000 to $49,999	9	6	1		2		
$50,000 to $99,999	13	8	2	1			2
$100,000 to $249,999	13	9	4				
$250,000 to $499,999	12	3	6	2			1
$500,000 to $999,999	8	3	4	1			
$1,000,000 and over	17	1	5	9	1	1	
Total	79	34	22	15	3	1	4

RETURNS AND ALLOWANCES ON INSTALLMENT CREDIT SALES OF GENERAL CLOTHING STORES IN 1927

[Percentages based on gross sales]

Sales volume	Total stores	Stores having returns and allowances—		
		Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent
Less than $25,000	1	1		
$25,000 to $49,999	8	5	1	2
$50,000 to $99,999	21	14	5	2
$100,000 to $249,999	6	3	3	
$250,000 to $499,999	2	2		
$500,000 to $999,999	2		1	1
$1,000,000 and over	1	1		
Total	41	26	10	5

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all stores to the outstanding balances due of the same stores when books were closed for the preceding month. The open account collection of 121 general clothing stores was 42.7 per cent a month in 1927.

The Central Atlantic States had the highest monthly open account collection, 50.4 per cent.

The table on monthly collection percentages of open credit accounts shows that the collection ratio was highest in October, with 48 per cent, and lowest in August, with 38.6 per cent.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF GENERAL CLOTHING STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $25,000	6	29.7	25.2	20.7	20.4	22.4	23.6	23.8	23.9	26.1	35.2	45.3	47.1	50.5
$25,000 to $49,999	10	28.5	25.9	27.0	30.1	28.9	29.4	27.4	27.4	27.5	28.5	29.6	30.4	29.6
$50,000 to $99,999	15	44.2	48.5	42.3	46.2	46.4	43.3	44.7	41.4	41.0	37.5	45.6	43.1	49.4
$100,000 to $249,999	34	39.6	39.4	36.0	39.0	40.9	37.4	36.9	36.9	35.5	50.2	43.3	40.0	40.8
$250,000 to $499,999	18	45.6	47.5	41.6	46.1	48.2	46.0	46.7	45.9	42.1	42.3	46.0	45.8	49.1
$500,000 to $999,999	18	39.2	38.5	37.4	36.7	42.8	37.1	36.9	36.3	35.4	36.9	49.1	44.4	40.4
$1,000,000 and over	20	43.9	45.8	40.3	44.0	48.1	45.5	42.6	41.7	39.7	39.9	48.7	45.8	44.4
REGION														
New England	11	42.6	65.5	36.4	39.7	42.4	44.5	43.4	40.6	38.8	38.9	40.9	41.2	43.9
Central Atlantic	22	50.4	51.7	43.4	48.6	56.5	51.4	47.8	46.3	42.8	45.2	63.4	55.6	52.8
Mid-West	22	40.5	40.4	38.9	38.4	51.7	36.8	38.8	39.8	34.8	37.9	44.4	42.9	41.6
Southeast	9	37.3	35.4	37.2	36.7	38.6	39.0	36.4	36.5	35.4	36.5	39.0	38.2	38.8
Gulf Southwest	18	35.4	36.1	33.2	36.9	36.9	36.0	33.2	33.4	32.8	31.5	40.5	37.4	36.6
West Midcontinent	11	41.1	44.9	40.6	40.3	41.7	40.9	39.4	40.6	40.4	55.7	45.0	43.6	42.2
Central Northwest	5	46.3	47.4	46.7	50.2	49.2	47.1	47.4	42.4	46.3	47.0	49.1	49.8	37.3
Pacific Northwest	3	39.1	38.5	34.2	40.1	39.2	38.8	39.0	37.6	38.4	38.6	44.2	40.7	40.0
Pacific Southwest	20	42.4	40.5	42.5	44.5	43.6	43.4	43.0	41.7	41.4	40.4	43.3	42.6	41.9
Total	[1]121	42.7	43.9	39.4	42.2	46.3	43.1	41.2	40.4	38.6	40.1	48.0	45.0	43.7

[1] Including one store, district not known.

BOOT, SHOE, AND OTHER FOOTWEAR STORES

EXTENT OF CREDIT BUSINESS

Reports from 2,000 boot, shoe, and other footwear stores with total net sales of $143,815,943 for the year 1927 indicate that 89.5 per cent of sales were for cash and 10.5 per cent on open credit. Out of the total of 2,000 stores, 1,760 sold for cash only.

On the basis of returns from 552 stores reporting for 1925, 1926, and 1927, it was found that cash sales increased 9.8 per cent in 1927 over those of 1925 and open credit sales increased 15.7 per cent.

Considering only those stores which did credit business, it was found that 56.9 per cent of total sales were for cash and 43.1 per cent for open credit. The larger stores did a much greater proportion of credit business than the smaller ones. The range was from 16.4 per cent on open credit for the stores with sales less than $25,000 to 48.2 per cent for the stores with sales of $1,000,000 and over.

EXTENT OF CREDIT BUSINESS OF 2,000 BOOT, SHOE, AND OTHER FOOTWEAR STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Total
Cash only (1,760 stores)	104,146		104,146
Cash and open credit (240 stores)	24,602	15,068	39,670
Total sales (2,000 stores)	128,748	15,068	143,816
Per cent of total sales	89.5	10.5	100

EXTENT OF CREDIT BUSINESS OF 552 BOOT, SHOE, AND OTHER FOOTWEAR STORES IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Total
1925:			
Volume of sales	32,253	9,233	41,486
Per cent of total sales	77.74	22.26	100
1926:			
Volume of sales	36,459	10,298	46,757
Per cent of total sales	77.97	22.03	100
1927:			
Volume of sales	35,444	10,690	46,134
Per cent of total sales	76.82	23.18	100
Per cent change in volume of sales:			
1926 over 1925	+13.0	+11.5	+12.7
1927 over 1926	−2.8	+3.8	−1.4
1927 over 1925	+9.8	+15.7	+11.2

EXTENT OF CREDIT BUSINESS OF 233 BOOT, SHOE, AND OTHER FOOTWEAR STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales
SALES VOLUME			
Less than $25,000	26	83.6	16.4
$25,000 to $49,999	62	78.7	21.3
$50,000 to $99,999	71	72.1	27.9
$100,000 to $249,999	45	68.0	32.0
$250,000 to $499,999	9	68.4	31.6
$500,000 to $999,999	14	51.8	48.2
$1,000,000 and over	6	56.9	43.1
REGION			
New England	12	46.9	53.1
Central Atlantic	47	67.4	32.6
Mid-West	74	61.4	38.6
Southeast	7	54.6	45.4
Gulf Southwest	25	47.8	52.2
West Midcontinent	27	71.1	28.9
Central Northwest	9	69.3	30.7
Pacific Northwest	11	67.3	32.7
Pacific Southwest	21	69.8	30.2
Total	233	62.2	37.8

CREDIT LOSSES

The average loss on open credit accounts for shoe stores was 0.8 per cent.

Out of a total of 233 stores, there were 46 with the very low loss of 0.2 per cent and 24 with the very high loss of 5 per cent or over.

Classifying the stores according to size, it was found that the range was from an average loss of 2 per cent for the group with sales less than $25,000 to 0.3 per cent for the group with sales of $1,000,000 and over. The Pacific Southwest States had the highest average, which was 1.8 per cent.

LOSSES FROM BAD DEBTS OF 233 BOOT, SHOE, AND OTHER FOOTWEAR STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*
Less than $25,000	26	2.0	0.3
$25,000 to $49,999	62	1.1	.2
$50,000 to $99,999	71	.9	.2
$100,000 to $249,999	45	1.0	.3
$250,000 to $499,999	9	.5	.1
$500,000 to $999,999	14	1.0	.5
$1,000,000 and over	6	.3	.1
REGION			
New England	12	.3	.2
Central Atlantic	47	.8	.2
Mid-West	74	.4	.1
Southeast	7	1.3	.6
Gulf Southwest	25	.5	.2
West Midcontinent	27	.8	.2
Central Northwest	9	.8	.2
Pacific Southwest	21	1.8	.5
Pacific Northwest	11	.9	.3
Total	233	.8	.3

BOOT, SHOE, AND OTHER FOOTWEAR STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total	Size group (sales volume)						
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 to $999,999	$1,000,000 and over
Less than 0.2 per cent	46	4	15	10	12	2	2	1
0.2 to 0.29 per cent	13	1	2	1	3	3	1	2
0.3 to 0.39 per cent	18		4	8	2		3	1
0.4 to 0.49 per cent	11	1	1	5		1	2	1
0.5 to 0.59 per cent	17		5	7	3	1	1	
0.6 to 0.69 per cent	9	1	2	3	3			
0.7 to 0.79 per cent	9	2	1	2	2		2	
0.8 to 0.89 per cent	11	1	1	5	3	1		
0.9 to 0.99 per cent	2				1		1	
1 to 1.4 per cent	26	1	6	14	3	1		1
1.5 to 1.9 per cent	20	2	6	4	8			
2 to 2.9 per cent	14	1	7	3	2		1	
3 to 3.9 per cent	11	3	6	1	1			
4 to 4.9 per cent	2		1	1				
5 per cent and over	24	9	5	7	2		1	
Total	233	26	62	71	45	9	14	6

USE OF CREDIT BUREAUS

Of the 228 stores reporting on the use of credit bureaus, 177, or 77.6 per cent, made use of credit bureaus as compared with 51, or 22.4 per cent, which did not.

Of the 224 stores which reported on the subject of making credit investigations of their own, 83, or 37.1 per cent, relied wholly on the credit bureau for information; 90, or 40.1 per cent, supplemented the use of the credit bureau with investigations of their own; and 51, or 22.8 per cent, made no use of credit bureaus.

The average loss on credit sales of the two groups which used credit bureaus was 0.8 per cent; of the group which did not use credit bureaus, 1.1 per cent. Computing a credit loss on the basis of total sales, the stores which did not use bureaus had a loss of only 0.1 per cent, which indicates that these stores did a very small proportion of their business on credit.

SOURCE OF CREDIT INFORMATION OF BOOT, SHOE, AND OTHER FOOTWEAR STORES IN 1927

Classification	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Stores using credit bureaus and making no investigations of their own (83 stores, 37.1 per cent)	83	0.8	0.3
Stores using credit bureaus and also making investigations of their own (90 stores, 40.1 per cent)	90	.8	.3
All stores making use of credit bureaus (177 stores, 77.6 per cent)	177	.8	.3
Stores not making use of credit bureaus (51 stores, 22.4 per cent)	51	1.1	.1

CHAIN SHOE STORES

Out of a total of 233 shoe stores doing credit business, 17, or 7.3 per cent, were chain stores; and 216, or 92.7 per cent, were not. The individual establishment decided the question whether it was a chain store.

Chain stores had higher credit losses, on the average, than other stores. They had an average loss on credit sales of 1.8 per cent. Other stores had an average of 0.6 per cent.

LOSSES FROM BAD DEBTS OF CHAIN BOOT, SHOE, AND OTHER FOOTWEAR STORES COMPARED WITH THOSE OF OTHER SUCH STORES IN 1927

Type	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
Chain stores (7.3 per cent)	17	1.8	0.6
All others (92.7 per cent)	216	.6	.2

RETURNS AND ALLOWANCES

The percentages of returns and allowances were 2 per cent of gross cash sales and 21.3 per cent of gross open credit sales.

There were 11 stores reporting in the size group with sales from $500,000 to $999,999. These stores had the high ratio of returns of 7.2 per cent on gross cash sales and 23.8 per cent on gross open credit sales. The group with sales of $1,000,000 and over also had a high percentage on open credit sales. The average of this group was 21.5 per cent.

There were nine stores which had returns and allowances ratios of 25 per cent or over.

RETURNS AND ALLOWANCES OF BOOT, SHOE, AND OTHER FOOTWEAR STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Cash sales		Open credit sales	
	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances
SALES VOLUME				
Less than $25,000	7	0.5	2	3.6
$25,000 to $49,999	17	1.6	15	7.7
$50,000 to $99,999	28	1.6	23	8.6
$100,000 to $249,999	16	3.4	16	17.1
$250,000 to $499,999	8	2.1	7	19.9
$500,000 to $999,999	11	7.2	11	23.8
$1,000,000 and over	5	1.1	4	21.5
REGION				
New England	6	1.7	5	12.4
Central Atlantic	20	.6	16	22.2
Mid-West	24	15.9	17	24.6
Southeast	5	2.4	4	15.1
Gulf Southwest	10	3.1	10	18.4
West Midcontinent	8	1.0	8	19.3
Central Northwest	5	1.5	5	8.0
Pacific Northwest	4	3.9	3	15.4
Pacific Southwest	10	6.2	10	22.0
Total	92	2.0	78	21.3

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF BOOT, SHOE, AND OTHER FOOTWEAR STORES IN 1927

[Percentages based on gross sales]

Sales volume	Stores having returns and allowances—					
	Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 to 19.9 per cent	20 to 24.9 per cent	25 per cent and over
Less than $25,000	2					
$25,000 to $49,999	7	5		1	2	
$50,000 to $99,999	9	6	4	4		
$100,000 to $249,999	1	3	3	6	2	1
$250,000 to $499,999	1		2	1	1	2
$500,000 to $999,999			2	3	1	5
$1,000,000 and over			1		2	1
Total	20	14	12	15	8	9

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all stores to the outstanding balances due of the same stores when books were closed for the preceding month. The open account collection percentage for 110 stores was 47.6 per cent.

Classifying the stores by size, it is found that the smaller stores had much lower percentages than the larger ones. The stores with sales less than $25,000 had the low average of 31 per cent. The stores with sales from $500,000 to $999,999 had the high average of 50.8 per cent.

The Mid-West States had the highest average of all the geographical districts. Their average was 55.8 per cent.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF BOOT, SHOE, AND OTHER FOOTWEAR STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $25,000	5	31.0	32.3	31.2	35.0	28.3	29.6	34.3	27.4	26.3	29.3	33.3	33.3	31.1
$25,000 to $49,999	16	36.5	38.1	36.1	41.5	40.2	36.5	35.1	34.9	31.3	31.7	39.9	37.2	36.8
$50,000 to $99,999	37	39.8	39.5	38.1	42.3	42.1	39.9	41.6	40.3	37.1	36.8	41.0	39.6	40.2
$100,000 to $249,999	25	43.2	44.5	43.1	45.0	44.0	45.0	43.8	42.4	40.1	40.3	43.3	42.8	44.2
$250,000 to $499,999	8	45.7	43.0	43.7	49.1	47.8	47.8	48.0	45.6	44.0	43.9	43.0	43.1	49.8
$500,000 to $999,999	14	50.8	50.8	50.3	51.1	54.0	52.0	51.6	48.8	47.3	47.1	52.7	52.7	50.3
$1,000,000 and over	5	49.0	46.9	45.7	51.5	51.3	50.4	50.8	45.2	45.4	51.3	51.0	48.7	50.5
REGION														
New England	6	52.7	46.9	43.2	54.1	56.2	55.1	57.0	46.8	42.8	64.7	55.2	54.4	59.0
Central Atlantic	21	46.4	47.3	48.9	48.8	46.4	46.1	48.0	45.5	46.3	42.8	44.4	43.4	48.6
Mid-West	31	55.8	56.5	55.5	57.7	60.5	57.8	57.1	53.2	50.9	52.0	57.6	57.1	54.1
Southeast	3	36.0	36.1	36.2	36.7	36.5	38.0	36.5	33.9	33.9	35.7	36.8	36.0	36.2
Gulf Southwest	14	46.8	44.9	44.1	47.3	50.2	48.1	46.6	45.6	41.0	43.3	50.3	50.7	49.5
West Midcontinent	14	38.8	40.6	39.5	38.9	40.4	38.5	39.0	38.2	38.3	38.2	40.2	38.5	35.8
Central Northwest	5	44.5	46.4	44.6	49.1	48.0	44.4	41.7	45.5	42.9	39.1	46.7	45.2	42.2
Pacific Northwest	3	45.7	47.4	45.4	49.3	46.6	45.5	47.2	45.2	43.7	44.3	47.0	45.4	42.7
Pacific Southwest	13	42.2	42.5	41.7	44.8	44.0	43.3	42.6	40.6	42.6	39.9	43.1	40.9	41.2
Total	110	47.6	46.9	46.3	49.3	50.1	48.9	48.8	45.6	44.3	45.9	48.9	48.1	48.4

FUR GOODS STORES

KINDS AND EXTENT OF CREDIT BUSINESS

According to returns from 124 fur goods stores doing a total volume of business of $15,814,666 in 1927, 37.3 per cent of sales were for cash, 51.5 per cent on open credit, and 11.2 per cent on installment credit.

The 47 stores which reported figures for 1925, 1926, and 1927 showed that cash sales increased 9 per cent in 1927 over those of 1925, open credit sales 19.7 per cent, and installment credit sales 4.6 per cent.

Considering only those stores which did credit business, it was found that 25.7 per cent of sales were for cash, 61.1 per cent on open credit, and 13.2 per cent on installment credit.

KINDS AND EXTENT OF CREDIT BUSINESS OF 124 FUR GOODS STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (40 stores)	2,484			2,484
Cash and open credit only (57 stores)	1,987	6,734		8,721
Cash and installment credit only (7 stores)	480		1,256	1,736
Cash, open credit, and installment credit (20 stores)	957	1,411	505	2,873
Total sales (124 stores)	5,908	8,145	1,761	15,814
Per cent of total sales	37.3	51.5	11.2	100

KINDS AND EXTENT OF CREDIT BUSINESS OF 47 FUR GOODS STORES IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Installment credit	Total
1925:				
Volume of sales	2,299	3,958	1,135	7,392
Per cent of total sales	31.1	53.5	15.4	100
1926:				
Volume of sales	2,447	4,523	1,579	8,549
Per cent of total sales	28.6	52.9	18.5	100
1927:				
Volume of sales	2,507	4,736	1,187	8,430
Per cent of total sales	29.7	56.2	14.1	100
Per cent change in volume of sales:				
1926 over 1925	+6.4	+14.3	+39.1	+15.7
1927 over 1926	+2.5	+4.7	−24.8	−1.4
1927 over 1925	+9.0	+19.7	+4.6	+14.0

KIND AND EXTENT OF CREDIT BUSINESS OF 84 FUR GOODS STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $25,000	8	61.8	36.6	1.6
$25,000 to $49,999	14	50.4	31.8	17.8
$50,000 to $99,999	21	40.2	53.4	6.4
$100,000 to $249,999	29	19.0	71.0	10.0
$250,000 to $499,999	8	27.4	39.4	33.2
$500,000 to $999,999	3	31.0	69.0	
$1,000,000 and over	1	9.7	90.3	
REGION				
New England	5	8.9	89.5	1.6
Central Atlantic	15	15.8	65.6	18.6
Mid-West	32	24.3	70.2	5.5
Southeast	4	39.2	56.5	4.3
Gulf Southwest	4	27.3	65.0	7.7
West Midcontinent	7	28.5	32.1	39.5
Central Northwest	2	49.3	11.9	38.8
Pacific Northwest	15	33.3	53.7	11.1
Total	84	25.7	61.1	13.2

CREDIT LOSSES

The average loss on open credit accounts of fur stores was 0.7 per cent. Stores with sales less than $25,000 had the very high average loss of 5.8 per cent on open credit sales.

The average loss on installment credit accounts was 0.8 per cent.

LOSSES FROM BAD DEBTS OF 84 FUR GOODS STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $25,000	8	5.8	2.1	1	7.5	1.0
$25,000 to $49,999	12	.8	.3	6	.8	.3
$50,000 to $99,999	21	1.3	.7	6	1.1	.2
$100,000 to $249,999	26	.6	.4	8	.7	.2
$250,000 to $499,999	6	.6	.4	4	1.4	.4
$500,000 to $999,999	3	1.4	1.0	2	.5	.2
$1,000,000 and over	1	.2	.1			
REGION						
New England	5	.2	.2	1	.4	.1
Central Atlantic	13	.4	.3	6	.5	.3
Mid West	31	.9	.6	6	.8	.1
Southeast						
Gulf Southwest	4	1.5	.8	2	1.5	.2
West Midcontinent	4	.3	.2	1		
Central Northwest	5	.7	.3	5	.2	.1
Pacific Northwest	1	2.2	1.3	1	.8	.4
Pacific Southwest	14	.7	.4	5	3.4	.9
Total	77	.7	.5	27	.8	.3

FUR GOODS STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total	Size group (sales volume)						
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 to $999,999	$1,000,000 and over
Less than 0.2 per cent	19	1	5	2	10	1		
0.2 to 0.29 per cent	2		1					1
0.3 to 0.39 per cent	4			1	2	1		
0.4 to 0.49 per cent	6		1		4	1		
0.5 to 0.59 per cent	2			1	1			
0.6 to 0.69 per cent	1					1		
0.7 to 0.79 per cent	4		1	2	1			
0.8 to 0.89 per cent	4	1		1	2			
0.9 to 0.99 per cent	3			3				
1 to 1.4 per cent	8		1	3	2	1	1	
1.5 to 1.9 per cent	6			2	1	1	2	
2 to 2.9 per cent	7	1	1	3	2			
3 to 3.9 per cent	2	1		1				
4 to 4.9 per cent	1				1			
5 per cent and over	8	4	2	2				
Total	77	8	12	21	26	6	3	1

INSTALLMENT TERMS: DOWN PAYMENTS AND LIFE OF CONTRACTS

Of the 26 fur goods stores which reported on installment terms, four required a down payment of 10 per cent, seven required 25 per cent, one 30 per cent, eight 33⅓ per cent, and two 50 per cent. The remaining four did not have a set figure, but gave maximum and minimum figures.

The figures on life of contracts indicate that there was no standard rule in regard to length of time over which payment of balance due was extended. The shortest period was two and one-half months in 10 weekly payments. The longest period was 12 to 15 months, although there were six stores which gave as high as 12 months.

TERMS ON INSTALLMENT SALES OF 26 FUR GOODS STORES IN 1927

Store No.	Down payment	Number of payments	Life of contract	Store No.	Down payment	Number of payments	Life of contract
	Per cent		*Months*		*Per cent*		*Months*
1	10	10	10	14	25	3–8	3–8
2	10	10	10	15	25	6–12	6–12
3	10	10	10	16	30	10	2½
4	10	10	10	17	33⅓	12–48	7–12
5	10–25	4–10	4–10	18	33⅓	3	3
6	10–33	6–12	6–12	19	33⅓	8	8
7	11–24	10–12	3–6	20	33⅓	8	8
8	11–24	7–12	7–12	21	33⅓	4	4
9	25	10–12	10–12	22	33⅓	6	6
10	25	12	12	23	33⅓	6	6
11	25	10–12	12–15	24	33⅓	3–9	3–9
12	25	4	4	25	50	5–7	12
13	25	3–15	3–9	26	50	6	6

USE OF CREDIT BUREAUS

Of the 82 stores reporting on the use of credit bureaus, 60, or 73.2 per cent, made use of credit bureaus as compared with 22, or 26.8 per cent, which did not.

Of the 77 stores which reported on the subject of making credit investigations of their own, 21 stores, or 27.3 per cent, relied wholly on the credit bureau for information; 34, or 44.1 per cent, supplemented the use of credit bureau investigations of their own; and 22, or 28.6 per cent, made no use of credit bureaus.

The average open credit loss of the stores which relied wholly on the credit bureau was 0.9 per cent, of those which used a credit bureau and supplemented its use with investigations of their own 0.7 per cent, and of those which did not use a credit bureau 0.8 per cent.

SOURCE OF CREDIT INFORMATION OF FUR GOODS STORES IN 1927

Classification	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
Stores using credit bureaus and making no investigations of their own (21 stores, 27.3 per cent):		*Per cent*	*Per cent*
Open credit	20	0.9	0.5
Installment credit	8	.5	.2
Stores using credit bureaus and also making investigations of their own (34 stores, 44.1 per cent):			
Open credit	29	.7	.5
Installment credit	16	1.2	.3
All stores making use of credit bureaus (60 stores, 73.2 per cent):			
Open credit	54	.7	.5
Installment credit	25	.8	.3
Stores not making use of credit bureaus (22 stores, 26.8 per cent):			
Open credit	21	.8	.6
Installment credit	2	1.2	.6

RETURNS AND ALLOWANCES

The percentage of returns and allowances on gross cash sales of fur goods stores was 16 per cent and on open credit sales 6 per cent.

There were 19 stores which reported figures on returns and allowances on cash sales. The average of the three stores in the group with sales between $500,000 and $999,999 was 17.7 per cent. There were five stores in the group with sales between $100,000 and $249,999, and their average was 17.3 per cent.

RETURNS AND ALLOWANCES OF FUR GOODS STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Cash		Open credit	
	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances
SALES VOLUME				
Less than $25,000	3	3.2	4	6.7
$25,000 to $49,999	3	1.8	4	3.7
$50,000 to $99,999	5	3.5	8	3.3
$100,000 to $249,999	5	17.3	10	6.0
$250,000 to $499,999			3	9.0
$500,000 to $999,999	3	17.7	3	5.4
$1,000,000 and over				
REGION				
New England	2	22.1	2	13.6
Central Atlantic	3	3.8	5	3.4
Mid-West	6	19.2	12	6.0
Southeast				
Gulf Southwest	1	.3	2	5.5
West Midcontinent				
Central Northwest	3	1.1	3	2.8
Pacific Northwest	2	3.5	1	5.5
Pacific Southwest	2	3.1	7	2.6
Total	19	16.0	32	6.0

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF FUR GOODS STORES IN 1927

[Percentages based on gross sales]

Sales volume	Stores having returns and allowances—					
	Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 to 19.9 per cent	20 to 24.9 per cent	25 per cent and over
Less than $25,000	2		1			1
$25,000 to $49,999	2	2				
$50,000 to $99,999	5	3				
$100,000 to $249,999	5	3	1		1	
$250,000 to $499,999	2		1			
$500,000 to $999,999		3				
$1,000,000 and over						
Total	16	11	3		1	1

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all stores to the outstanding balances due of the same stores when books were closed for the preceding month. The open account collection ratio for 29 stores was 41.2 per cent. The collections were greatest in November, which had 62 per cent, and lowest in July, with 22.5 per cent.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF FUR GOODS STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
SALES VOLUME														
Less than $25,000	2	46.5	51.1	40.9	42.8	35.4	31.4	46.1	45.9	46.6	42.4	51.2	64.4	43.4
$25,000 to $49,999	2	32.7	12.5	21.4	18.1	38.4	66.6	42.8	37.5	41.1	35.2	37.5	23.8	34.0
$50,000 to $99,999	5	30.3	35.3	26.9	25.4	23.5	20.3	17.9	19.0	29.0	18.3	30.0	48.5	44.5
$100,000 to $249,999	13	40.8	55.9	37.6	37.7	28.6	31.4	24.9	19.6	28.9	27.4	48.2	64.8	53.7
$250,000 to $499,000	4	41.9	56.6	51.9	41.6	33.6	28.1	24.5	19.9	21.6	22.7	46.2	57.9	59.9
$500,000 to $999,999	3	45.2	35.0	39.0	41.9	45.4	42.6	33.7	36.4	38.9	39.1	59.5	63.6	51.7
$1,000,000 and over														
REGION														
New England	1	52.8	83.2	58.3	51.3	42.3	46.5	26.0	17.9	18.3	26.2	60.2	76.9	86.6
Central Atlantic	6	40.4	58.4	40.3	42.1	30.1	31.9	23.5	17.7	21.6	21.9	41.1	63.7	54.7
Mid-West	9	42.3	44.1	41.6	32.2	37.9	36.2	31.5	31.5	39.1	31.4	47.9	61.3	52.4
Southeast														
Gulf Southwest	2	48.0	35.8	40.1	43.4	40.5	35.6	27.6	24.3	28.2	35.6	82.7	75.7	57.6
West Midcontinent	1	27.0	36.8	22.0	16.6	18.6	16.2	8.9	16.5	28.3	16.5	33.6	44.2	39.9
Central Northwest	2	43.8	56.1	38.5	28.4	25.4	28.6	26.6	22.7	53.3	27.0	59.2	66.5	51.2
Pacific Northwest	1	23.4			18.8	17.1	23.3	17.4	15.2	30.2	40.4	36.4	26.1	38.3
Pacific Southwest	7	35.6	35.2	38.5	35.3	29.8	26.7	28.8	29.0	36.5	34.9	44.1	42.3	38.5
Total	29	41.2	50.4	39.5	38.3	32.4	32.2	26.1	22.5	29.2	27.7	48.1	62.0	53.7

DRY GOODS STORES

KINDS AND EXTENT OF CREDIT BUSINESS

A great many stores selling dry goods were classified as department stores and general clothing stores because in addition to their dry goods business they also sold commodities that definitely stamped them as belonging to those divisions. Consequently, the stores classified as dry goods stores because they sold dry goods and little or nothing else were few in number. There were 108 such stores which sent in reports.

Those 108 stores, with total net sales in 1927 of $6,667,397, reported that 61.6 per cent of total sales were for cash, 38.2 per cent were on open credit, and 0.2 per cent were on installment credit.

On the basis of returns from 39 stores reporting for 1925, 1926, and 1927, it was found that cash sales decreased 1.8 per cent in 1927 over 1925 and open credit sales decreased 15 per cent.

KINDS AND EXTENT OF CREDIT BUSINESS OF 108 DRY GOODS STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (70 stores)	2,263			2,263
Cash and open credit only (36 stores)	1,841	2,546		4,387
Cash and installment credit only (1 store)	2		6	8
Cash, open credit, and installment credit (1 store)	3	2	4	9
Total sales (108 stores)	4,109	2,548	10	6,667
Per cent of total sales	61.6	38.2	0.2	100

EXTENT OF CREDIT BUSINESS OF 39 DRY GOODS STORES IN 1925, 1926, AND 1927

[Sales volume in thousands of dollars]

Year and item	Cash	Open credit	Total
1925:			
Volume of sales	1,874	1,898	3,772
Per cent of total sales	49.7	50.3	100
1926:			
Volume of sales	1,849	1,555	3,404
Per cent of total sales	54.3	45.7	100
1927:			
Volume of sales	1,842	1,614	3,456
Per cent of total sales	53.3	46.7	100
Per cent change in volume of sales:			
1926 over 1925	−1.4	−18.1	−9.8
1927 over 1926	−0.4	+3.7	+1.5
1927 over 1925	−1.8	−15.0	−8.4

KINDS AND EXTENT OF CREDIT BUSINESS OF 38 DRY GOODS STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $25,000	13	67.1	27.5	5.4
$25,000 to $49,999	4	72.5	27.5	
$50,000 to $99,999	9	75.2	24.8	
$100,000 to $249,999	8	66.7	33.3	
$250,000 to $499,999	2	47.2	52.8	
$500,000 to $999,999	2	3.0	97.0	
$1,000,000 and over				
REGION				
New England	5	83.2	14.4	2.4
Central Atlantic	6	53.8	46.2	
Mid-West	14	33.4	66.3	.3
Southeast	1	95.4	4.6	
Gulf Southwest	6	23.0	77.0	
West Midcontinent	1	58.3	41.7	
Central Northwest				
Pacific Northwest				
Pacific Southwest	5	64.9	35.1	
Total	38	41.9	57.9	.2

CREDIT LOSSES

The average loss on open credit accounts for dry goods stores was 0.8 per cent. The largest number of reports from any geographical district was 14, which came from the Mid-West States. The average loss of the stores from that district was 1.2 per cent.

LOSSES FROM BAD DEBTS OF 38 DRY GOODS STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME						
Less than $25,000	12	2.8	0.8	2	1.4	0.8
$25,000 to $49,999	4	.9	.2			
$50,000 to $99,999	9	1.4	.3			
$100,000 to $249,999	8	.2	.08			
$250,000 to $499,999	2	.2	.1			
$500,000 to $999,999	2	.9	.9			
$1,000,000 and over						
REGION						
New England	4	.6	.09	1	1.9	1.4
Central Atlantic	6	.3	.1			
Mid-West	14	1.2	.8	1	.6	.2
Southeast	1	21.3	.9			
Gulf Southwest	6	.5	.4			
West Midcontinent	1	1.6	.6			
Central Northwest						
Pacific Northwest						
Pacific Southwest	5	.2	.07			
Total	37	.8	.4	2	1.4	.8

DRY GOODS STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total	Size group (sales volume)						
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 to $999,999	$1,000,000 and over
Less than 0.2 per cent	8	1	1	2	4			
0.2 to 0.29 per cent	2					2		
0.3 to 0.39 per cent	3	2			1			
0.4 to 0.49 per cent	2	1					1	
0.5 to 0.59 per cent	3			2	1			
0.6 to 0.69 per cent								
0.7 to 0.79 per cent								
0.8 to 0.89 per cent	2		1	1				
0.9 to 0.99 per cent	1				1			
1 to 1.4 per cent	1				1			
1.5 to 1.9 per cent	4	2		1			1	
2 to 2.9 per cent	1		1					
3 to 3.9 per cent	3	2		1				
4 to 4.9 per cent	1			1				
5 per cent and over	6	4	1	1				
Total	37	12	4	9	8	2	2	

USE OF CREDIT BUREAUS

Of the 35 stores reporting on the use of credit bureaus, 16, or 45.7 per cent, made use of credit bureaus as compared with 19, or 54.3 per cent, which did not.

Of the 35 stores which reported on the subject of making credit investigations of their own, 6 stores, or 17.1 per cent, relied wholly on the credit bureaus for information; 10 stores, or 28.6 per cent,

supplemented the use of credit bureaus with investigations of their own; and 19 stores, or 54.3 per cent, made no use of credit bureaus.

The stores which relied wholly on the credit bureaus for information had an average loss on open credit sales of 0.4 per cent, those which supplemented the use of credit bureaus with investigations of their own had 0.8 per cent, and those which made no use of credit bureaus 1 per cent.

SOURCE OF CREDIT INFORMATION OF DRY GOODS STORES IN 1927

Classification	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Stores using credit bureaus and making no investigations of their own (6 stores, 17.1 per cent)	6	0.4	0.1
Stores using credit bureaus and also making investigations of their own (10 stores, 28.6 per cent)	10	.8	.6
All stores making use of credit bureaus (16 stores, 45.7 per cent)	16	.7	.5
Stores not making use of credit bureaus (19 stores, 54.3 per cent):			
Open credit	18	1.0	.2
Installment credit	2	1.4	.8

RETURNS AND ALLOWANCES

The percentages of returns and allowances were 1.7 per cent of gross cash sales and 7.1 per cent of gross open credit sales.

RETURNS AND ALLOWANCES OF DRY GOODS STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Cash sales		Open credit sales	
	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances
SALES VOLUME				
Less than $25,000	6	3.8	4	7.4
$25,000 to $49,999			1	2.0
$50,000 to $99,999	2	.8	1	.8
$100,000 to $249,999	2	.9	3	3.1
$250,000 to $499,999	1	2.0	2	8.8
$500,000 to $999,999				
$1,000,000 and over				
REGION				
New England	3	1.2	1	3.6
Central Atlantic	1	.4	3	2.4
Mid-West	5	2.4	5	9.8
Southeast				
Gulf Southwest				
West Midcontinent				
Central Northwest				
Pacific Northwest				
Pacific Southwest	2	1.9	2	5.7
Total	11	1.7	11	7.1

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF DRY GOODS STORES IN 1927

[Percentages based on gross sales]

Sales volume	Total	Stores having returns and allowances—					
		Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 to 19.9 per cent	20 to 24.9 per cent	25 per cent and over
Less than $25,000	4	3					1
$25,000 to $49,999	1	1					
$50,000 to $99,999	1	1					
$100,000 to $249,999	3	3					
$250,000 to $499,999	2		1	1			
$500,000 to $999,999							
$1,000,000 and over							
Total	11	8	1	1			1

FURNITURE STORES

KINDS AND EXTENT OF CREDIT BUSINESS

Furniture stores did a larger proportion of their business on credit than any of the other kinds of stores included in this report. Their credit sales were 84.8 per cent of total sales. Open credit sales accounted for 27.1 per cent of total sales, installment sales 57.7 per cent, and cash sales 15.2 per cent.

Of the 726 stores which responded to the request for information, 34 sold for cash only, 143 sold for cash and open credit only, 326 sold for cash and installment credit only, and 223 sold for cash, open credit, and installment credit. The 34 stores which sold for cash only were small ones; their total sales were only $1,055,000.

On the basis of returns from 311 stores reporting for 1925, 1926, and 1927, it was found that cash sales increased very slightly in 1927 over 1925, open credit sales increased more in proportion than the cash sales, and installment sales increased more in proportion than either the cash or open credit sales. In 1927, cash sales increased 0.7 per cent over those of 1925, whereas open credit sales increased 4 per cent and installment sales increased 8.7 per cent.

The stores with net sales of $1,000,000 and over did 87 per cent of their business on credit, the highest proportion of any of the size groups.

The New England States showed marked differences from the other sections of the country. That section had the smallest proportion of cash sales, only 9.8 per cent; the largest proportion of open credit sales, which was 54.8 per cent; and the smallest proportion of installment credit sales, 35.4 per cent.

The Southeast States had the smallest proportion of open credit sales and the largest proportion of installment sales. The installment business of that section of the country was 79.3 per cent of total.

KINDS AND EXTENT OF CREDIT BUSINESS OF 726 FURNITURE STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (34 stores)	1,055			1,055
Cash and open credit only (143 stores)	4,428	21,164		25,592
Cash and installment credit only (326 stores)	7,980		50,547	58,527
Cash, open credit, and installment credit (223 stores)	11,267	23,029	43,285	77,581
Total sales (726 stores)	24,730	44,193	93,832	162,755
Per cent of total sales	15.2	27.1	57.7	100

KINDS AND EXTENT OF CREDIT BUSINESS OF 311 FURNITURE STORES IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Installment credit	Total
1925:				
Volume of sales	10,122	18,353	39,781	68,256
Per cent of total sales	14.8	26.9	58.3	100
1926:				
Volume of sales	10,150	18,591	42,591	71,332
Per cent of total sales	14.2	26.1	59.7	100
1927:				
Volume of sales	10,197	19,087	43,234	72,518
Per cent of total sales	14.1	26.3	59.6	100
Per cent change in volume of sales:				
1926 over 1925	+0.3	+1.3	+7.1	+4.5
1927 over 1926	+0.5	+2.7	+1.5	+1.7
1927 over 1925	+0.7	+4.0	+8.7	+6.2

KINDS AND EXTENT OF CREDIT BUSINESS OF 640 FURNITURE STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales	Per cent installment sales
SALES VOLUME				
Less than $50,000	178	31.1	27.3	41.6
$50,000 to $99,999	169	21.9	24.4	53.7
$100,000 to $249,999	169	16.0	28.2	55.8
$250,000 to $499,999	76	14.9	29.6	55.5
$500,000 to $999,999	26	12.4	32.4	55.2
$1,000,000 and over	22	13.0	27.3	59.7
REGION				
New England	43	9.8	54.8	35.4
Central Atlantic	110	23.1	32.4	44.5
Mid-West	181	17.2	18.3	64.5
Southeast	46	11.3	9.4	79.3
Gulf Southwest	70	11.2	36.8	52.0
West Midcontinent	45	15.5	22.2	62.3
Central Northwest	22	14.9	31.5	53.6
Pacific Northwest	30	13.1	19.7	67.2
Pacific Southwest	93	10.4	31.7	57.9
Total	640	14.9	28.3	56.8

CREDIT LOSSES

The average loss on open credit accounts for furniture stores was 0.8 per cent.

The stores having sales of $500,000 to $999,999 had the lowest average open credit loss figure, which was 0.5 per cent. The stores with sales less than $50,000 had the highest average, 2.9 per cent. There were 142 stores with the very low open credit loss of less than 0.2 per cent. At the other extreme were 29 stores with 5 per cent or over. The Southeast States had the highest open credit loss ratio, 6.6 per cent.

The average loss on installment accounts for the whole country was 1.4 per cent.

The stores having sales of $1,000,000 and over had an average loss of 1 per cent, the lowest average of any of the size groups. The stores having sales of less than $50,000 had an average loss of 3 per cent, which was the highest average of any of the size groups. The Southeast States, which had the highest open credit loss, also had the highest installment credit loss, 3.2 per cent. There were 112 stores with the very low loss on installment sales of less than 0.2 per cent. On the other hand, there were 55 with 5 per cent or over.

LOSSES FROM BAD DEBTS OF 640 FURNITURE STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME						
Less than $50,000	109	2.9	1.2	132	3.0	1.6
$50,000 to $99,999	86	1.1	.5	136	1.7	1.1
$100,000 to $249,999	94	.7	.3	135	2.4	1.7
$250,000 to $499,999	41	.6	.3	55	1.4	1.0
$500,000 to $999,999	15	.5	.3	21	1.2	.8
$1,000,000 and over	15	.8	.2	18	1.0	.7
REGION						
New England	30	2.7	1.8	30	1.4	.8
Central Atlantic	60	.7	.4	74	2.1	1.3
Mid-West	88	.5	.1	149	1.3	.9
Southeast	16	6.6	2.0	40	3.2	2.7
Gulf Southwest	36	.5	.3	59	1.1	.7
West Midcontinent	34	.6	.2	36	1.1	.7
Central Northwest	11	.7	.3	20	1.1	.6
Pacific Northwest	17	.4	.1	23	.7	.6
Pacific Southwest	68	.3	.1	66	1.4	.9
Total	360	.8	.3	497	1.4	1.0

FURNITURE STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total	Size group (sales volume)					
		Less than $50,000	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 to $999,999	$1,000,000 and over
Less than 0.2 per cent	142	43	34	38	14	5	8
0.2 to 0.29 per cent	21	2	6	10	2	1	
0.3 to 0.39 per cent	20	3	5	5	4	2	1
0.4 to 0.49 per cent	15	3	5	4	2		1
0.5 to 0.59 per cent	14		2	6	2	1	3
0.6 to 0.69 per cent	14	4	1	4	5		
0.7 to 0.79 per cent	7		3	3	1		
0.8 to 0.89 per cent	15	2	8	2	1	2	
0.9 to 0.99 per cent	4			3	1		
1 to 1.4 per cent	21	5	5	5	3	3	0
1.5 to 1.9 per cent	13	2	2	6	2		1
2 to 2.9 per cent	23	17	5	1			
3 to 3.9 per cent	11	5	2	1	2	1	
4 to 4.9 per cent	11	4	3	2	1		1
5 per cent and over	29	19	5	4	1		
Total	360	109	86	94	41	15	15

FURNITURE STORES GROUPED ACCORDING TO SIZE OF INSTALLMENT CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on installment accounts to installment account sales]

Ratio of loss	Total	Size group (sales volume)					
		Less than $50,000	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 to $999,999	$1,000,000 and over
Less than 0.2 per cent	112	38	35	25	7	5	2
0.2 to 0.29 per cent	36	4	7	16	5		4
0.3 to 0.39 per cent	15	1	6	5	2	1	
0.4 to 0.49 per cent	20	2	5	8	2	2	1
0.5 to 0.59 per cent	16	1	4	5	1	3	2
0.6 to 0.69 per cent	24	2	9	6	3	1	3
0.7 to 0.79 per cent	12	2	3	2	3	1	1
0.8 to 0.89 per cent	15	3	7	4	1		
0.9 to 0.99 per cent	8	2	2	2	1	1	
1 to 1.4 per cent	55	10	16	14	14	1	
1.5 to 1.9 per cent	38	11	5	13	5	2	2
2 to 2.9 per cent	52	19	15	9	6	1	2
3 to 3.9 per cent	27	8	7	8	1	2	1
4 to 4.9 per cent	12	7	4	1			
5 per cent and over	55	22	11	17	4	1	
Total	497	132	136	135	55	21	18

TERMS ON INSTALLMENT SALES

The following table shows that a wide variety of terms on installment sales were in use. However, there were certain sets of terms that were found to be used much more frequently than others. The set of terms found most frequently included a down payment of 10 per cent or less, and a contract covering a period of 7 to 12 months. This type of contract was used by 73 stores. The terms in second place for frequency were 25 per cent down payment and life of contract 7 to 12 months. These terms were used by 56 stores. The terms in third place for frequency were contracts requiring down payment of 11 to 24 per cent and payments over 7 to 12 months. There were 51 stores using these terms.

In contracts ranking first, second, third, and fifth in popularity, the life of contract in all cases was the same, 7 to 12 months. Of the stores using 7 to 12 months as the period of time over which payment of balance due was extended, those which required only 10 per cent or less as a down payment had an average loss of 2.5 per cent, those which required 11 to 24 per cent down payment had an average loss of 1.1 per cent, those which required 25 per cent down payment had an average loss of 1 per cent, and those which required 30 to 33⅓ per cent down payment had an average loss of 0.8 per cent.

Since the period of time over which payments were extended was the same in all cases, the only variable factor was down payment. It follows that the differences in credit losses were due to the differences in down payment. The facts show that with the life of contract 7 to 12 months, the period most commonly used, the credit losses varied inversely with the down payment; the larger the down payment, the smaller the credit losses.

TERMS AND LOSS RATIO ON INSTALLMENT SALES OF 492 FURNITURE STORES IN 1927

Down payment	Life of contract, in months	Stores	Total volume of sales	Installment credit	
				Ratio bad debts to credit sales	Ratio bad debts to total sales
				Per cent	*Per cent*
10 per cent or less	6 or less	2	$682,185	1.2	1.1
	6 or less to 12	2	265,848	.3	.08
	6 or less to 18	8	1,229,625	3.2	2.7
	6 or less to 24	2	210,274	.3	.2
	7 to 12	73	19,366,004	2.5	1.9
	7 to 18	23	6,452,991	1.3	1.0
	7 to 24	4	686,606	.8	.6
	13 to 18	34	11,598,888	1.5	1.3
	13 to 24	5	1,004,979	3.0	2.7
	13 to 30	1	39,594	1.5	1.4
	19 to 24	13	2,851,419	3.2	2.8
	25 to 36	2	3,560,904	2.2	2.0
10 or less to 25 per cent	6 or less to 12	5	308,773	.6	.3
	6 or less to 18	5	753,783	1.0	.8
	7 to 12	25	2,923,673	1.5	1.0
	7 to 18	10	3,493,229	.5	.4
	7 to 24	5	1,373,535	3.0	2.5
	7 to 36	1	101,652		
	13 to 18	10	14,323,364	.8	.6
	13 to 24	2	636,615	1.4	1.2
	19 to 24	1	198,760	.2	.2
	25 to 30	1	262,500	.4	.3
10 or less to 33⅓ per cent	6 or less to 12	2	225,413	.8	.6
	6 or less to 18	6	621,104	2.2	1.3
	6 or less to 24	3	440,583	1.7	.9
	7 to 12	6	552,933	.9	.5
	7 to 18	2	1,799,377	1.3	.6
	13 to 18	1	115,721	1.1	.2
	19 to 24	1	58,300	2.1	.6
10 or less to more than 33⅓ per cent	6 or less to 36	1	44,770		
	7 to 12	2	270,000	1.0	.8
11 to 24 per cent	6 or less	4	278,350	.02	.006
	6 or less to 12	4	196,994	1.2	.8
	6 or less to 18	1	53,336	.3	.2
	7 to 12	51	11,826,189	1.1	.5
	7 to 18	7	1,335,516	1.3	.7
	7 to 24	3	452,015	2.1	1.6
	13 to 18	8	2,384,715	1.9	1.7
	13 to 24	1	58,610	3.7	3.2
	19 to 24	2	117,379	1.4	1.3
11 to 33⅓ per cent	6 or less	2	78,001	.1	.06
	6 or less to 24	1	27,919	3.5	2.8
	7 to 12	9	1,032,370	.7	.5
11 to more than 33⅓ per cent	7 to 12	2	111,701	.5	.2
25 per cent	6 or less	7	601,645	1.4	.4
	6 or less to 12	3	196,072	2.3	1.2
	6 or less to 18	1	145,046	.4	.4
	6 or less to 24	3	190,500	1.0	.2
	7 to 12	56	8,822,586	1.0	.4
	7 to 18	3	145,254	2.4	1.1
	13 to 18	5	999,436	.8	.5
	13 to 24	1	90,399	1.8	1.4
25 to 33⅓ per cent	6 or less	1	183,099	6.7	1.5
	6 or less to 12	2	102,700	.8	.09
	7 to 12	4	1,439,218	2.7	.7
	7 to 18	1	83,682	.05	.02
	7 to 24	2	16,646,581	.2	.1
25 to more than 33⅓ per cent	7 to 18	1	129,371	1.8	1.4
30 to 33⅓ per cent	6 or less	6	386,485	1.7	.2
	6 or less to 12	4	400,315	.3	.09
	6 or less to 18	1	69,800		
	6 or less to 24	1	21,139	5.1	.9
	7 to 12	28	2,306,003	.8	.3
	7 to 18	2	518,725	.4	.1
	7 to 24	3	132,909	.8	.5
	13 to 18	3	375,380	6.1	1.4
30 to more than 33⅓ per cent	6 or less	1	22,005	1.8	1.

USE OF CREDIT BUREAUS

Of the 629 stores reporting on the use of credit bureaus, 465 stores, or 73.9 per cent, made use of credit bureaus as compared with 164, or 26.1 per cent, which did not.

Of the 618 stores which reported on the subject of making credit investigations of their own, 130 stores, or 21 per cent, relied wholly on the credit bureaus for information; 324, or 52.4 per cent, supplemented the use of the credit bureau with investigations of their own; and 164, or 26.6 per cent, made no use of credit bureaus.

The average loss on open credit sales of those stores which relied wholly on the credit bureaus was 0.5 per cent, of those which used credit bureaus and supplemented their use with investigations of their own 0.8 per cent, and of those which did not use credit bureaus 1.3 per cent.

The average loss on installment credit sales of the first group was 1.3 per cent, of the second 1.2 per cent, and of the third 2.8 per cent.

SOURCE OF CREDIT INFORMATION OF FURNITURE STORES IN 1927

Classification	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Stores using credit bureaus and making no investigations of their own (130 stores, 21 per cent):			
Open credit	86	0.5	0.3
Installment credit	96	1.3	.7
Stores using credit bureaus and also making investigations of their own (324 stores, 52.4 per cent):			
Open credit	172	.8	.3
Installment credit	269	1.2	.8
All stores making use of credit bureaus (465 stores, 73.9 per cent):			
Open credit	262	.7	.3
Installment credit	375	1.2	.8
Stores not making use of credit bureaus (164 stores, 26.1 per cent):			
Open credit	93	1.3	.7
Installment credit	116	2.8	2.2

USE OF FINANCE COMPANIES

Thirty-seven dealers, or 7.4 per cent of all those reporting on the subject, made use of finance companies in financing installment sales as compared with 460 dealers, or 92.6 per cent, which did not. The stores which used finance companies did 3.2 per cent of the total business, whereas the stores which did not use finance companies did 96.8 per cent, which indicates that the stores using finance companies were much smaller, on the average, than the others.

The dealers which used finance companies had an average loss on installment sales of 1.3 per cent, those which did not use finance companies had 1.4 per cent. Since some installment paper is sold "without recourse," it is to be expected that dealers who use finance companies had lower losses than those which do not.

EXTENT OF USE OF FINANCE COMPANIES IN FINANCING FURNITURE INSTALLMENT SALES AND LOSSES OF FURNITURE DEALERS USING FINANCE COMPANIES COMPARED WITH THOSE OF OTHER DEALERS IN 1927

Item	Dealers using finance companies	Dealers not using finance companies	Total
Number	37	460	497
Per cent of total	7.4	92.6	100
Total sales (in thousands of dollars)	4,099	125,530	129,629
Per cent of total sales, all dealers	3.2	96.8	100
Per cent bad debts of total deferred payments	1.3	1.4	1.4
Per cent bad debts of total sales	.9	1.0	1.0

CHAIN FURNITURE STORES

Out of a total of 640 stores doing credit business, 17, or 2.7 per cent, were chain stores and 623, or 97.3 per cent, were not. The individual establishment decided the question whether it was a chain store.

The chain stores reporting had higher open credit losses than other stores. Their average was 2.9 per cent, whereas the average of all others was 0.8 per cent. This average for chain stores may not be representative, as there were only four chain stores and 623 stores other than chain stores which reported open credit losses.

The chain stores also had higher installment credit losses than other stores. Their average, based on 15 chain stores, was 2 per cent. The average of other stores, based on 482 stores, was 1.4 per cent.

LOSSES FROM BAD DEBTS OF CHAIN FURNITURE STORES COMPARED WITH THOSE OF OTHER FURNITURE STORES IN 1927

Type	Stores	Ratio bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Chain furniture stores (17 stores, 2.7 per cent):			
Open credit	4	2.9	0.6
Installment credit	15	2.0	1.7
All others (623 stores, 97.3 per cent):			
Open credit	357	.8	.3
Installment credit	482	1.4	.9

RETURNS AND ALLOWANCES

The percentage of returns and allowances were 4 per cent of gross cash sales, 4.9 per cent of gross open credit sales, and 13.7 per cent of gross installment credit sales.

The stores with sales of $1,000,000 and over had the highest ratio of returns and allowances on installment sales; their average was 17.4 per cent. There were nine individual stores of various sizes with the very high figure of 25 per cent or over, just one of which was in the group with sales of $1,000,000 or over.

The Mid-West States had the highest ratio of returns and allowances of any district; their average was 17.2 per cent.

RETURNS AND ALLOWANCES ON CASH SALES OF FURNITURE STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Stores	Total gross cash sales	Per cent returns and allowances
SALES VOLUME			
Less than $50,000	28	$291,230	2.0
$50,000 to $99,999	34	538,338	3.1
$100,000 to $249,999	36	1,168,928	3.3
$250,000 to $499,999	20	1,964,472	4.6
$500,000 to $999,999	4	238,484	1.4
$1,000,000 and over	8	3,404,055	4.4
REGION			
New England	11	303,103	2.1
Central Atlantic	8	2,707,940	4.2
Mid-West	34	843,319	3.0
Southeast	6	127,154	2.5
Gulf Southwest	13	556,934	5.2
West Midcontinent	9	335,052	2.2
Central Northwest	6	141,654	1.5
Pacific Northwest	5	282,772	4.5
Pacific Southwest	20	2,307,579	4.6
Total	130	7,605,507	4.0

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF FURNITURE STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Stores	Total gross open credit sales	Per cent returns and allowances
SALES VOLUME			
Less than $50,000	31	$443,139	5.6
$50,000 to $99,999	33	1,514,860	3.7
$100,000 to $249,999	49	4,988,487	5.6
$250,000 to $499,999	15	3,438,358	8.7
$500,000 to $999,999	7	3,088,708	6.5
$1,000,000 and over	8	13,200,780	3.3
REGION			
New England	13	4,083,317	3.5
Central Atlantic	26	5,760,931	5.7
Mid-West	27	2,704,320	5.9
Southeast	11	361,932	14.3
Gulf Southwest	17	2,896,858	10.7
West Midcontinent	15	1,472,153	10.3
Central Northwest	4	995,996	3.8
Pacific Northwest	7	924,872	5.7
Pacific Southwest	23	7,473,953	0.9
Total	143	26,674,332	4.9

RETURNS AND ALLOWANCES ON INSTALLMENT CREDIT SALES OF FURNITURE STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Stores	Total gross installment sales	Per cent returns and allowances
SALES VOLUME			
Less than $50,000	34	$844,079	11.2
$50,000 to $99,999	59	3,366,574	8.9
$100,000 to $249,999	68	8,404,695	10.2
$250,000 to $499,999	34	10,796,323	10.9
$500,000 to $999,999	13	7,982,354	10.6
$1,000,000 and over	9	27,029,925	17.4
REGION			
New England	14	2,143,350	13.6
Central Atlantic	38	8,647,257	9.6
Mid-West	56	24,596,069	17.2
Southeast	20	2,826,112	15.3
Gulf Southwest	32	4,296,928	8.2
West Midcontinent	13	3,311,106	13.5
Central Northwest	8	845,516	11.1
Pacific Northwest	15	4,346,069	8.6
Pacific Southwest	21	7,411,543	12.6
Total	217	58,423,950	13.7

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF FURNITURE STORES IN 1927

[Percentages based on gross sales]

Sales volume	Stores	Stores having returns and allowances—					
		Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 to 19.9 per cent	20 to 24.9 per cent	25 per cent and over
Less than $50,000	31	17	8	5	1		
$50,000 to $99,999	33	19	11	3			
$100,000 to $249,999	49	32	9	5	1	2	
$250,000 to $499,999	15	8	3	1	2	1	
$500,000 to $999,999	7	3	2	2			
$1,000,000 and over	8	3	1	2	2		
Total	143	82	34	18	6	3	

RETURNS AND ALLOWANCES ON INSTALLMENT SALES OF FURNITURE STORES IN 1927

[Percentages based on gross sales]

Sales volume	Stores	Stores having returns and allowances—					
		Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 to 19.9 per cent	20 to 24.9 per cent	25 per cent and over
Less than $50,000	34	15	9	5	1	1	3
$50,000 to $99,999	59	25	18	8	6	1	2
$100,000 to $249,999	68	24	17	14	10	1	2
$250,000 to $499,999	34	5	17	6	2	3	1
$500,000 to $999,999	13	2	3	4	4		
$1,000,000 and over	9	1	3	1	3		1
Total	217	72	67	38	26	5	9

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all stores to the outstanding balances due of the same stores when books were closed for

the preceding months. The monthly open account collection ratio for the whole country was 39.7 per cent. The stores with sales less than $50,000 had the low figure of 25.2 per cent. December, with 43.7 per cent, had the highest average, and July, with 36.5 per cent, had the lowest.

The installment account collection percentage for the whole country was 10.8 per cent. October, with 11.4 per cent, had the highest average, and February and July had the lowest, with 10.3 per cent each.

With such a large proportion of their business transacted on credit and with such low collection percentages, it is evident that the furniture business is one that requires much capital in proportion to its sales.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF FURNITURE STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $50,000	9	25.2	31.2	29.0	31.9	22.0	25.8	26.4	25.0	20.7	16.6	21.1	24.0	26.1
$50,000 to $99,999	21	30.2	28.7	27.6	31.7	29.2	32.4	31.4	29.9	26.5	27.4	30.4	34.6	33.5
$100,000 to $249,999	35	41.1	43.8	42.1	40.1	39.3	41.4	38.8	38.0	38.9	42.7	42.1	42.5	43.0
$250,000 to $499,999	25	41.2	44.8	36.3	43.4	45.5	44.4	44.1	34.8	39.6	39.5	42.2	39.4	40.8
$500,000 to $999,999	9	38.6	40.5	37.4	39.0	39.2	39.6	40.4	38.4	38.4	33.0	39.5	36.3	41.0
$1,000,000 and over	10	40.1	43.7	41.5	38.7	37.6	37.7	39.3	37.2	36.3	39.0	40.5	42.5	46.5
REGION														
New England	13	38.3	46.7	28.8	35.4	33.7	41.5	39.3	37.9	32.1	35.6	36.4	43.1	54.7
Central Atlantic	25	44.6	45.5	42.9	44.3	45.1	45.8	44.2	40.7	42.5	41.9	47.4	44.9	49.7
Mid-West	20	40.3	45.0	37.0	42.4	42.7	45.0	42.1	36.3	39.2	36.4	40.3	35.2	42.1
Southeast	2	22.4	32.4	29.0	21.7	18.6	18.6	17.3	23.5	17.4	15.9	27.9	21.1	19.1
Gulf Southwest	13	36.7	35.9	36.9	37.5	35.4	36.0	36.2	32.9	31.9	36.3	36.8	44.2	38.6
West Midcontinent	7	39.4	45.3	34.0	42.2	39.6	41.8	36.0	47.3	32.9	40.3	36.9	34.8	40.2
Central Northwest	4	44.0	48.8	43.5	47.8	39.7	36.9	44.2	50.1	43.8	47.3	44.1	41.6	44.2
Pacific Northwest	7	52.5	50.2	54.3	52.8	54.4	53.9	52.0	45.7	54.1	52.5	55.1	50.3	55.9
Pacific Southwest	18	38.1	42.3	43.1	37.7	37.0	33.5	37.9	34.1	36.1	37.2	38.6	38.2	40.4
Total	109	39.7	42.9	39.5	39.3	38.7	39.0	39.8	36.5	36.8	38.0	40.2	40.7	43.7

PER CENT COLLECTED MONTHLY ON INSTALLMENT CREDIT ACCOUNTS OF FURNITURE STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $50,000	26	10.8	9.1	8.7	9.2	10.5	8.5	11.2	11.1	11.5	11.8	18.6	10.8	11.4
$50,000 to $99,999	53	11.1	10.2	9.8	11.4	11.1	13.5	11.2	10.5	10.8	11.0	12.0	10.9	11.1
$100,000 to $249,999	72	10.5	10.5	10.2	9.9	10.8	11.1	10.7	10.2	10.7	10.1	11.2	10.3	10.2
$250,000 to $499,999	39	11.4	11.3	10.7	11.4	11.9	11.5	11.4	10.8	11.6	11.3	12.4	11.2	10.9
$500,000 to $999,999	18	10.0	10.0	9.8	10.3	10.0	10.0	10.0	9.8	10.6	9.9	10.6	9.7	9.4
$1,000,000 and over	20	11.1	11.1	10.6	11.1	10.9	10.7	10.6	10.4	11.3	11.9	11.1	10.9	12.7
REGION														
New England	14	11.0	11.3	9.9	11.1	11.8	11.0	11.2	10.9	11.1	11.0	12.1	10.2	10.0
Central Atlantic	45	9.0	9.1	9.0	8.9	9.3	9.3	9.2	8.6	9.3	9.1	9.7	8.9	8.2
Mid-West	59	10.9	10.5	10.2	10.6	11.5	11.4	11.3	10.4	11.3	10.4	11.7	10.6	11.0
Southeast	13	9.8	9.9	9.4	9.9	9.7	10.1	9.6	9.3	10.1	9.6	10.1	9.5	9.8
Gulf Southeast	30	13.3	12.5	12.5	13.3	12.4	14.3	12.2	12.2	14.3	16.7	14.2	13.0	12.5
West Midcontinent	13	12.3	11.5	11.6	13.5	12.0	11.8	11.8	11.7	12.8	12.5	13.2	12.2	12.8
Central Northwest	8	11.6	11.1	10.8	11.0	11.1	11.2	10.4	13.0	12.7	12.6	12.6	11.3	10.8
Pacific Northwest	10	11.9	12.3	11.1	12.4	12.0	11.4	12.9	11.3	12.0	11.4	12.7	12.0	11.2
Pacific Southwest	36	11.0	11.1	10.4	10.9	11.0	10.6	10.5	10.5	10.9	10.7	11.1	10.9	13.2
Total	228	10.8	10.7	10.3	10.8	10.9	10.9	10.7	10.3	11.1	11.0	11.4	10.6	11.2

Volume 2

U. S. DEPARTMENT OF COMMERCE
R. P. LAMONT, Secretary
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
WILLIAM L. COOPER, Director

NATIONAL RETAIL CREDIT SURVEY

PART II

DOMESTIC COMMERCE SERIES—No. 34

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1930

For sale by the Superintendent of Documents, Washington, D. C. - - - Price 10 cents

CONTENTS

	Page
Foreword	iv
Introduction	1
Automobile dealers	3
Automobile accessory stores	11
Independent grocery stores	17
Bakery product stores	23
Radio stores	25
Electrical appliance stores	31
Jewelry stores	38
Optical goods stores	44

FOREWORD

One of the outstanding problems confronting the retail business man to-day, and one on which there is a serious lack of information, is that of credit extension. With this situation in mind, the Department of Commerce, at the request of the National Retail Credit Association, has made a nation-wide survey of retail credit. The report of the survey is divided into three parts, of which this is the second. This part includes data on 569 automobile dealers, 678 automobile accessory stores, 2,164 independent grocery stores, 353 bakery product stores, 92 radio stores, 627 electrical appliance stores, 330 jewelry stores, and 86 optical goods stores. The total net sales of these 4,899 establishments in 1927 exceeded $670,000,000.

It is the plan of this report to set forth without recommendation the experience of a large number of establishments on such subjects as credit losses, credit terms, the use of credit bureaus, collection percentages, etc., which will serve as a chart or guide for the individual business man in carrying on his business. The individual merchant, knowing his own experience in these matters, can compare it with that of others and govern himself accordingly.

One of the striking facts brought out by this part of the survey is the wide variation in certain credit practices and methods existing within the same class of stores. For example, out of a total of 1,675 grocery stores reporting on the subject of credit loss there were 315 with the very low loss of less than 0.2 per cent, and at the other extreme were 168 stores with the very high loss of 5 per cent or more. Out of 68 electrical appliance stores reporting on the matter of returned merchandise, 29 had returns and allowances less than 5 per cent of gross sales and some had as low as 1 per cent; on the other hand, 5 stores reported 25 per cent or more. In the matter of collections, some jewelry stores collected over 50 per cent of their regular charge accounts each month, while others collected as low as 20 per cent.

The high credit losses, high percentages of returns and allowances, and low monthly collection percentages of some stores are an indication of possibilities for the elimination of waste and an increase of efficiency in distribution.

The preliminary plans for this survey were made by Dr. R. J. McFall prior to his transfer to the Bureau of the Census as editor of the Survey of Current Business. The conduct of the survey and the preparation of this report are the work of Dr. W. C. Plummer, who was loaned to the Domestic Commerce Division of the Bureau of Foreign and Domestic Commerce by the University of Pennsylvania for that purpose.

WILLIAM L. COOPER, *Director,*
Bureau of Foreign and Domestic Commerce.

MARCH, 1930.

NATIONAL RETAIL CREDIT SURVEY—PART II

INTRODUCTION

This survey is based on information derived from questionnaires sent to retail merchants throughout the country. Names and addresses were supplied by the more than 1,000 local bureaus of the National Retail Credit Association. Each bureau was asked to supply a list of names totaling four times its membership and including all the principal lines of retail trade. In communities of over 5,000 population where there were no local bureaus of the association, the local chambers of commerce and merchants' associations were asked to furnish names and addresses. All of the organizations accorded excellent cooperation.

The merchants who received the questionnaires were told, on account of the confidential nature of the information requested, that the department wanted the facts only in order to consolidate them with those of other concerns, thereby arriving at information covering the general credit operations of each line of retail business in each part of the country; also that the facts regarding any individual business would not be subject to the use of any other Government department, credit bureau, or other agency, nor could any other report made by them be checked against this report.

In addition to the local bureaus of the National Retail Credit Association, the State and local leaders of the association appointed to assist in the survey, chambers of commerce, local merchants' associations, the National Retailers' Council, the National Association of Finance Companies, and the National Retail Furniture Association, the following individuals have been identified with the survey and have contributed to its success: James R. Hewitt, Leopold Meyer, Justin H. Edgerton, David J. Woodlock, Guy H. Hulse, and R. Preston Shealey, all of the National Retail Credit Association; and Dr. Frank M. Surface, Assistant Director, H. C. Dunn, Chief of the Domestic Commerce Division, H. T. LaCrosse, and John F. Thornton, all of the Bureau of Foreign and Domestic Commerce.

It is planned to publish the results of the survey in three parts, the first and second each containing data for 8 and the third for 11 lines of retail trade. This publication is Part II, Part I having been released recently.

The information contained herein is set forth by kinds of stores and by size and geographical location under each kind. Weighted averages are worked out for the various groups. Such averages are significant but do not give as much information as is sometimes desired; consequently, tables are presented showing the distribution of individual stores in each percentage group; these are called frequency tables.

The aim has been to present the data in such manner that the individual store can compare its own experience with that of similar establishments.

All sales figures in this report are for net sales and all percentages are based on net sales figures except returned merchandise percentages, which are based on gross sales.

The various geographical districts, according to which the information of this report is grouped, comprise States as follows:

New England.—Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island.
Central Atlantic.—New York, Pennsylvania, New Jersey, Maryland, Delaware, Virginia, West Virginia, District of Columbia.
Mid-West.—Iowa, Wisconsin, Michigan, Illinois, Indiana, Ohio, Kentucky.
Southeast.—Tennessee, North Carolina, South Carolina, Mississippi, Alabama, Georgia, Florida.
Gulf Southwest.—Missouri, Oklahoma, Arkansas, Texas, Louisiana.
West Midcontinent.—Wyoming, Colorado, Nebraska, Kansas.
Central Northwest.—Montana, North Dakota, South Dakota, Minnesota.
Pacific Northwest.—Washington, Oregon, Idaho.
Pacific Southwest.—California, Utah, Arizona, Nevada, New Mexico.

AUTOMOBILE DEALERS

KINDS AND EXTENT OF CREDIT BUSINESS

Reports from 569 automobile dealers with total net sales in 1927 of $261,137,556 indicate that 37.1 per cent of this amount was for cash, 16 per cent on open credit, and 46.9 per cent on installment credit.

No deduction can be drawn from these figures as to the proportion of cars sold on installments, as the figures refer to all sales and include those for accessories and service as well as those for automobiles. A very large proportion of sales made on open credit were undoubtedly for accessories and service.

The dealers reporting represented all sizes of establishments. There were 36 with total sales each of less than $50,000, 73 with total sales from $50,000 to $99,999, 187 from $100,000 to $249,999, 148 from $250,000 to $499,999, 80 from $500,000 to $999,999, and 45 of $1,000,000 and over.

All sections of the country were represented by the dealers reporting. The smallest number reporting from any section was 21 from the New England States and the largest was 153 from the Mid-West.

On the basis of 198 establishments reporting for 1925, 1926, and 1927, it was found that cash sales increased 17.5 per cent in 1927 over 1925, open credit sales decreased 0.9 per cent during this period, and installment sales increased 22.1 per cent. There is no way of knowing how accurately this sample of 198 dealers with net sales of $98,129,000 represents the relative increase or decrease of cash and credit sales for the period studied.

KINDS AND EXTENT OF CREDIT BUSINESS OF 569 AUTOMOBILE DEALERS IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash and installment credit only (80 dealers)	20,648	----------	23,264	43,912
Cash, open credit, and installment credit (489 dealers)	76,236	41,869	99,120	217,225
Total sales (569 dealers)	96,884	41,869	122,384	261,137
Per cent of total sales	37.1	16.0	46.9	100.0

KINDS AND EXTENT OF CREDIT BUSINESS OF 198 AUTOMOBILE DEALERS IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Installment credit	Total
1925:				
Volume of sales	32,645	13,655	37,843	84,143
Per cent of total sales	38.8	16.2	45.0	100.0
1926:				
Volume of sales	35,697	14,071	44,824	94,592
Per cent of total sales	37.7	14.9	47.4	100.0
1927:				
Volume of sales	38,374	13,543	46,212	98,129
Per cent of total sales	39.1	13.8	47.1	100.0
Per cent change in volume of sales:				
1926 over 1925	+9.3	+3.0	+18.4	+12.4
1927 over 1926	+7.4	−3.8	+3.0	+3.7
1927 over 1925	+17.5	−0.9	+22.1	+16.6

KINDS AND EXTENT OF CREDIT BUSINESS OF 569 AUTOMOBILE DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Dealers	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $50,000	36	31.1	21.4	47.5
$50,000 to $99,999	73	34.1	22.0	43.9
$100,000 to $249,999	187	30.9	17.6	51.5
$250,000 to $499,999	148	31.5	17.5	51.0
$500,000 to $999,999	80	32.5	15.4	52.1
$1,000,000 and over	45	43.9	14.9	41.2
REGION				
New England	21	32.4	24.4	43.2
Central Atlantic	103	36.0	21.9	42.1
Mid-West	153	47.3	9.7	43.0
Southeast	47	23.0	18.5	58.5
Gulf Southwest	56	39.4	15.5	45.1
West Midcontinent	66	34.2	17.5	48.3
Central Northwest	23	24.9	22.5	52.6
Pacific Northwest	31	20.7	28.6	50.7
Pacific Southwest	69	36.6	11.5	51.9
Total	569	37.2	16.0	46.8

LOSSES FROM BAD DEBTS

On the basis of reports from 569 dealers, the average loss on open credit sales was 1 per cent and on installment sales 0.3 per cent.

There was a very definite relationship between installment credit losses and the size of establishments. The larger dealers had lower credit loss percentages than the smaller ones. The two extremes were the establishments in the smallest size group, those with sales less than $50,000, which had an average loss on installment sales of 1.2 per cent, and the establishments in the largest size group, those with sales of $1,000,000 and over, which had an average loss on installment sales of only 0.1 per cent, just one-twelfth as much.

The frequency tables presented herein show that individual dealers varied greatly among themselves in regard to credit losses. There were 341 dealers with the very low loss on installment sales of less than 0.2 per cent, but there were 102 with 1 per cent or over, and 19 of those had the exceedingly high loss of 5 per cent or over.

The same variation was found in regard to open credit losses. There were 105 dealers with the low loss on open credit sales of less than 0.2 per cent and 88 with the high loss of 5 per cent or over. The dealers in the latter group thus had losses twenty-five times as great as the former.

In setting forth the information on credit losses according to geographical districts, it was found that the New England and Central Atlantic States had the lowest losses on installment sales; each had an average of only 0.1 per cent. The Pacific Northwest had the highest loss, which was 0.8 per cent, and the Southeast the next highest, which was 0.7 per cent.

LOSSES FROM BAD DEBTS OF 569 AUTOMOBILE DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Dealers	Ratio bad debts to credit sales	Ratio bad debts to total sales	Dealers	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $50,000	29	1.9	0.5	36	1.2	0.6
$50,000 to $99,999	64	2.2	.5	73	.4	.1
$100,000 to $249,999	167	1.8	.3	187	.8	.4
$250,000 to $499,999	130	1.3	.2	148	.5	.2
$500,000 to $999,999	63	.7	.1	80	.3	.1
$1,000,000 and over	36	.5	.1	45	.1	.05
REGION						
New England	12	.2	.09	21	.1	.08
Central Atlantic	84	.8	.2	103	.1	.07
Mid-West	125	1.2	.1	153	.3	.1
Southeast	39	1.3	.2	47	.7	.4
Gulf Southwest	52	1.3	.2	56	.5	.2
West Midcontinent	65	.9	.1	66	.4	.1
Central Northwest	22	1.1	.2	23	.4	.2
Pacific Northwest	31	1.3	.3	31	.8	.4
Pacific Southwest	59	.9	.1	69	.2	.1
Total	489	1.0	.1	569	.3	.1

AUTOMOBILE DEALERS GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total dealers	Size group (sales volume)					
		Less than $50,000	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 to $999,999	$1,000,000 and over
Less than 0.2 per cent	105	6	13	33	22	19	12
0.2 to 0.29 per cent	14			5	5	3	1
0.3 to 0.39 per cent	25		1	3	11	5	5
0.4 to 0.49 per cent	16	2		5	5	2	2
0.5 to 0.59 per cent	19	2	2	4	7	3	1
0.6 to 0.69 per cent	16	1	1	3	8	1	2
0.7 to 0.79 per cent	16	1	3	4	5	2	1
0.8 to 0.89 per cent	12	1	1	3	6		1
0.9 to 0.99 per cent	9	1	1	4	2		1
1 to 1.49 per cent	50	2	8	21	11	8	
1.5 to 1.9 per cent	26		2	7	10	6	1
2 to 2.9 per cent	46	2	8	19	12	2	3
3 to 3.9 per cent	28	3	7	11	3	3	1
4 to 4.9 per cent	19	1	2	8	5	1	2
5 per cent and over	88	7	15	37	18	8	3
Total	489	29	64	167	130	63	36

102798—30——2

AUTOMOBILE DEALERS GROUPED ACCORDING TO SIZE OF INSTALLMENT CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on installment accounts to installment account sales]

Ratio of loss	Total dealers	Size group (sales volume)					
		Less than $50,000	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 to $999,999	$1,000,000 and over
Less than 0.2 per cent	341	24	49	101	85	45	37
0.2 to 0.29 per cent	25			8	7	8	2
0.3 to 0.39 per cent	21		1	6	7	6	1
0.4 to 0.49 per cent	20		4	4	6	3	3
0.5 to 0.59 per cent	16	1		7	4	3	1
0.6 to 0.69 per cent	12		2	3	5	1	1
0.7 to 0.79 per cent	14	1	1	7	3	2	
0.8 to 0.89 per cent	11		2	3	3	3	
0.9 to 0.99 per cent	7			3	2	2	
1 to 1.49 per cent	35	3	5	14	9	4	
1.5 to 1.9 per cent	13		2	7	4		
2 to 2.9 per cent	21	2	2	10	7		
3 to 3.9 per cent	10	1	1	5	2	1	
4 to 4.9 per cent	4	1	1			2	
5 per cent and over	19	3	3	9	4		
Total	569	36	73	187	148	80	45

USE OF CREDIT BUREAUS

Out of a total of 552 dealers reporting on the use of credit bureaus, 425, or 77 per cent, made use of credit bureaus and 127, or 23 per cent, did not.

There were 92 dealers, or 16.7 per cent of the total, which used credit bureaus and made no investigations of their own. These dealers had an average loss on open credit sales of 0.9 per cent and on installment sales of 0.2 per cent.

There were 333 dealers, or 60.3 per cent of the total, which used credit bureaus and also made investigations of their own. The average loss of this group was 1 per cent on open credit sales and 0.3 per cent on installment sales.

One hundred and twenty-seven dealers, or 23 per cent of the total, made no use of credit bureaus. The average open credit loss of this group was 0.8 per cent and average installment loss 0.4 per cent.

SOURCE OF CREDIT INFORMATION OF AUTOMOBILE DEALERS IN 1927

Classification	Dealers	Ratio of bad debts to—	
		Credit sales	Total sales
Dealers using credit bureaus and making no investigations of their own (92 dealers, 16.7 per cent):		*Per cent*	*Per cent*
Open credit	78	0.9	0.1
Installment credit	92	.2	.1
Dealers using credit bureaus and also making investigations of their own (333 dealers, 60.3 per cent):			
Open credit	297	1.0	.2
Installment credit	333	.3	.1
Dealers not making use of credit bureaus (127 dealers, 23 per cent):			
Open credit	104	.8	.1
Installment credit	127	.4	.2

USE OF FINANCE COMPANIES

Four hundred and eighty-three dealers, or 84.9 per cent, made use of finance companies in financing installment sales, as compared with 86 dealers, or 15.1 per cent, which did not.

The dealers which used finance companies had average losses of 0.3 per cent on deferred payments, as compared with 0.6 per cent, the average loss of those dealers which did not use finance companies. Since a great deal of installment paper is sold to finance companies "without recourse," it is to be expected that those dealers who used finance companies would have less loss than those who did not.

EXTENT OF USE OF FINANCE COMPANIES IN FINANCING AUTOMOBILE INSTALLMENT SALES, AND LOSSES OF AUTOMOBILE DEALERS USING FINANCE COMPANIES COMPARED WITH THOSE OF DEALERS NOT USING FINANCE COMPANIES IN 1927

Item	Dealers using finance companies	Dealers not using finance companies	Total
Number of dealers	483	86	569
Per cent of dealers	84.9	15.1	100.0
Total sales (in thousands of dollars)	$213,838	$47,299	$261,137
Per cent of total sales, all dealers	81.9	18.1	100
Per cent bad debts of total deferred-payment sales	.3	.6	.3
Per cent bad debts of total sales	.1	.2	.1

DOWN PAYMENTS

Of 569 dealers reporting on the down payment required, 523, or 91.9 per cent of the total, reported that they required at least 33⅓ per cent down payment. There were 46 or, 8.1 per cent, which used substandard terms in regard to down payment. The average installment credit losses of the dealers which used standard terms in regard to down payment was 0.3 per cent, slightly smaller than the average for the group which used substandard terms. The average for the latter group was 0.4 per cent.

DOWN PAYMENTS REQUIRED BY 569 AUTOMOBILE DEALERS IN 1927 AND RELATION BETWEEN DOWN PAYMENT AND CREDIT LOSSES

Type	Dealers	Per cent of total dealers	Ratio of bad debts to deferred payment sales
			Per cent
Dealers requiring at least 33⅓ per cent down payment	523	91.9	0.3
All others (those using substandard terms in regard to down payment)	46	8.1	.4

LIFE OF CONTRACTS

There were 443 dealers, or 77.9 per cent, which limited the life of the installment contracts to 12 months or less, as opposed to 126, or 22.1 per cent, which used substandard terms in this respect. The percentages of bad debt losses were approximately the same (0.3 per cent) for the two groups.

LIFE OF CONTRACTS ALLOWED BY 569 AUTOMOBILE DEALERS IN 1927 AND RELATION BETWEEN LIFE OF CONTRACT AND CREDIT LOSSES

Type	Dealers	Per cent of total dealers	Ratio of bad debts to total deferred payment sales
			Per cent
Dealers limiting life of contract to 12 months or less	443	77.9	0.3
All others (those using substandard terms in regard to life of contract)	126	22.1	.3

REPOSSESSIONS

The figures on repossessions represent the unpaid balances owing on repossessed cars without making allowance for amounts recovered through the sale of these repossessed cars. In the instructions accompanying the questionnaire the dealers were told that "repossessions" should be interpreted as the selling price less the amount of payments already received on goods repossessed or recovered by reason of customers failing to fulfill their contracts.

The average repossession ratio (gross loss) of 226 dealers was 3.3 per cent of gross installment sales.

The smaller dealers had much higher repossession figures than the larger ones. The establishments in the smallest size group (sales less than $50,000) had an average of 7.7 per cent, whereas those in the largest size group (sales $1,000,000 and over) had only 2.5 per cent.

REPOSSESSIONS ON INSTALLMENT SALES OF 226 AUTOMOBILE DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Dealers	Ratio repossessions to gross installment sales	Classification	Dealers	Ratio repossessions to gross installment sales
SALES VOLUME		*Per cent*	REGION		*Per cent*
Less than $50,000	10	7.7	New England	9	2.3
$50,000 to $99,999	23	5.5	Central Atlantic	35	4.6
$100,000 to $249,999	75	4.6	Mid-West	65	2.5
$250,000 to $499,999	74	4.2	Southeast	27	3.7
$500,000 to $999,999	25	2.4	Gulf Southwest	23	3.6
$1,000,000 and over	19	2.5	West Midcontinent	26	2.8
			Central Northwest	9	2.4
			Pacific Northwest	12	4.7
			Pacific Southwest	20	3.7
			Total	226	3.3

RETURNS AND ALLOWANCES

The percentages of returns and allowances on cash, open credit, and installment sales, respectively, were 3.9 per cent of gross cash sales, 4 per cent of gross open credit sales, and 4.2 per cent of gross installment credit sales. Repossessions are not included in returns and allowances.

There were 100 dealers with less than 5 per cent of returns and allowances on their open credit sales. At the other extreme there were 7 dealers with 20 per cent or more, 3 of whom had 25 per cent or over.

On installment sales, there were 62 dealers with returns and allowance ratios less than 5 per cent and 17 with percentages of 5 per cent or over, 2 of the 17 having returns of 20 per cent or over.

RETURNS AND ALLOWANCES OF AUTOMOBILE DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Cash		Open credit		Installment credit	
	Dealers	Per cent returns and allowances	Dealers	Per cent returns and allowances	Dealers	Per cent returns and allowances
SALES VOLUME						
Less than $50,000	3	7.0	5	2.6	3	2.4
$50,000 to $99,999	11	2.9	14	7.1	9	7.8
$100,000 to $249,999	28	5.5	47	3.1	25	3.3
$250,000 to $499,999	37	8.1	46	4.6	27	4.2
$500,000 to $999,999	14	2.6	16	7.8	9	3.0
$1,000,000 and over	13	2.2	17	2.5	6	5.1
REGION						
New England	2	7.3	5	.6	4	7.2
Central Atlantic	21	2.4	26	2.8	12	5.0
Mid-West	25	5.7	36	7.9	23	2.6
Southeast	17	4.9	19	6.6	12	3.3
Gulf Southwest	5	2.1	11	4.1	8	6.3
West Midcontinent	12	6.3	14	3.3	12	1.8
Central Northwest	4	5.8	7	1.6	1	2.0
Pacific Northwest	10	.7	12	4.8	3	4.0
Pacific Southwest	10	2.3	15	3.1	4	5.5
Total	106	3.9	145	4.0	79	4.2

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF AUTOMOBILE DEALERS IN 1927

[Percentages based on gross sales]

Sales volume	Stores having returns and allowances—					
	Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 to 19.9 per cent	20 to 24.9 per cent	25 per cent and over
Less than $50,000	4	1				
$50,000 to $99,999	8	2	2		1	1
$100,000 to $249,999	35	5	4	1	1	1
$250,000 to $499,999	31	8	2	3	1	1
$500,000 to $999,999	12	3			1	
$1,000,000 and over	10	5		2		
Total	100	24	8	6	4	3

RETURNS AND ALLOWANCES ON INSTALLMENT CREDIT SALES OF AUTOMOBILE DEALERS IN 1927

[Percentages based on gross sales]

Sales volume	Stores having returns and allowances—					
	Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 to 19.9 per cent	20 to 24.9 per cent	25 per cent and over
Less than $50,000	3					
$50,000 to $99,999	6	1	1	1		
$100,000 to $249,999	19	2	1	1	2	
$250,000 to $499,999	23	1	1	2		
$500,000 to $999,999	7	1	1			
$1,000,000 and over	4	2				
Total	62	7	4	4	2	

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all stores to the outstanding balances due of the same dealers when books were closed for the preceding month.

The open account collection ratio percentage for the whole country was 48.1 per cent a month. The dealers having sales of $50,000 to $99,999 (9 reporting) had the lowest average, which was 30.8 per cent. The dealers having sales of $1,000,000 or over (10 reporting) had the highest average, which was 61.4 per cent. April, with 53.4 per cent, had the highest average of any month, and January, with 43.9 per cent, had the lowest average.

The installment account collection percentage for the whole country was 17 per cent a month. The dealers having sales of $250,000 to $499,999 (40 reporting) had the lowest average, which was 14.8 per cent. The dealers having sales of $50,000 to $99,999 (6 reporting) had the highest average, which was 24.6 per cent. March, with 19.1 per cent, had the highest average of any month, and November, with 15.7 per cent, had the lowest average.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF AUTOMOBILE DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Dealers	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $50,000	2	60.8	69.2	71.4	55.5	68.7	46.1	56.2	83.3	63.1	55.5	52.3	57.8	56.2
$50,000 to $99,999	9	30.8	32.5	25.5	33.2	29.8	35.1	33.0	31.1	29.2	25.8	28.2	26.6	39.7
$100,000 to $249,999	35	39.3	38.1	35.3	38.9	41.7	39.4	39.3	39.5	38.1	39.4	42.5	43.3	36.4
$250,000 to $499,999	35	45.4	38.6	46.1	47.0	53.8	45.0	49.7	46.2	42.0	44.5	44.2	43.2	45.1
$500,000 to $999,999	9	53.2	56.3	44.7	64.3	39.6	36.3	41.2	63.5	56.9	67.3	65.1	60.1	69.6
$1,000,000 and over	10	61.4	56.3	53.1	63.1	75.6	69.2	65.9	59.2	57.5	60.7	58.5	55.5	58.7
REGION														
New England	1	39.6	38.5	32.4	56.1	69.0	55.9	70.4	31.1	23.0	17.3	17.3	25.9	27.0
Central Atlantic	20	42.7	41.8	36.7	44.2	43.4	42.0	41.5	42.3	41.2	42.8	47.1	42.3	45.8
Mid-West	18	52.0	39.4	52.0	51.7	56.7	51.5	53.7	53.1	53.3	50.9	55.3	54.2	56.0
Southeast	10	44.5	47.2	51.7	42.8	44.4	41.9	34.9	47.2	43.5	48.4	44.9	33.5	48.7
Gulf Southwest	17	44.4	39.9	35.1	47.6	48.0	43.0	48.0	43.7	40.1	45.7	46.4	55.5	38.5
West Midcontinent	9	48.7	68.5	49.0	49.9	48.6	48.2	46.8	54.3	44.1	52.1	40.5	46.6	43.0
Central Northwest	4	42.3	23.2	52.2	63.7	35.0	24.1	23.0	58.2	57.3	54.6	58.7	46.8	61.8
Pacific Northwest	6	45.1	45.8	36.8	47.6	57.3	58.0	56.1	34.8	41.8	39.5	44.0	38.4	41.1
Pacific Southwest	15	58.0	51.8	51.2	58.4	73.4	63.4	72.8	60.2	50.5	57.3	53.3	48.2	53.2
Total	100	48.1	43.9	45.3	50.0	53.4	47.9	49.8	48.9	45.9	48.2	48.7	47.3	47.6

PER CENT COLLECTED MONTHLY ON INSTALLMENT CREDIT ACCOUNTS OF AUTOMOBILE DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Dealers	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $50,000	1	23.5	18.3	26.6	25.0	31.7	25.0	21.0	22.4	25.8	20.7	21.6	25.6	26.6
$50,000 to $99,999	6	24.6	19.3	19.2	21.2	22.2	22.2	25.7	28.6	28.1	24.8	30.7	30.7	20.1
$100,000 to $249,999	27	20.6	20.7	23.1	23.3	20.6	18.5	19.4	19.1	19.2	21.7	24.3	17.7	19.3
$250,000 to $499,999	40	14.8	17.7	13.6	15.6	14.9	14.6	15.2	14.8	14.6	13.5	14.1	14.1	15.4
$500,000 to $999,999	19	17.7	18.9	22.1	20.5	21.8	19.9	16.3	16.9	17.8	16.7	13.6	14.7	15.7
$1,000,000 and over	20	17.0	15.7	16.6	19.3	18.1	17.3	17.0	16.1	17.0	16.6	17.3	16.2	16.8
REGION														
New England	7	15.8	14.2	14.2	17.8	18.7	16.8	17.2	15.5	15.8	14.7	15.7	13.4	16.0
Central Atlantic	17	15.9	15.5	15.5	16.3	17.7	17.1	16.0	16.0	15.7	15.0	16.6	16.1	13.8
Mid-West	21	19.6	17.6	17.2	18.9	22.1	19.2	20.5	19.1	22.0	20.7	20.2	19.3	17.5
Southeast	14	22.8	21.6	27.7	28.1	25.8	24.4	21.5	17.7	20.1	19.4	22.1	20.6	25.1
Gulf Southwest	15	14.7	14.1	14.2	17.3	14.5	15.8	15.0	15.0	15.6	14.3	14.3	13.6	13.3
West Midcontinent	8	15.0	14.7	17.5	16.6	13.8	15.8	14.6	16.3	16.9	14.3	11.4	14.8	15.2
Central Northwest	5	19.6	26.0	30.3	22.5	20.1	23.1	14.0	23.7	20.3	15.5	17.7	18.2	13.5
Pacific Northwest	7	16.1	14.0	11.9	15.9	16.1	14.4	16.1	13.5	16.5	16.6	17.5	19.8	24.5
Pacific Southwest	19	15.9	18.0	16.6	18.1	16.8	15.1	15.3	15.6	15.0	16.2	15.5	13.6	14.5
Total	113	17.0	17.1	17.6	19.1	18.3	17.3	16.8	16.3	16.9	16.4	16.6	15.7	16.5

AUTOMOBILE ACCESSORY STORES

KINDS AND EXTENT OF CREDIT BUSINESS

Reports from 678 automobile accessory stores with total net sales in 1927 of $56,987,725 indicate that 53.8 per cent of this amount was for cash, 44.5 per cent on open credit, and 1.7 per cent on installment credit.

Of the 678 stores, 164 sold for cash only, 432 sold for cash and open credit only, 2 sold for cash and installment credit only, and 80 sold for cash, open credit, and installment credit.

On the basis of returns from 265 stores reporting for 1925, 1926, and 1927, it was found that cash sales increased 11 per cent in 1927 over 1925, open credit sales increased 7.7 per cent, and installment sales increased 30.1 per cent. Notwithstanding the fact that installment sales increased greatly during the period, such sales constituted a small proportion of total sales.

The larger stores did a much greater proportion of their business on credit than the smaller ones. The range was from 44.4 per cent on credit for the smallest stores, those with total sales under $25,000, to 69.8 per cent on credit for the largest stores, those with total sales of $250,000 and over. There was no difference, on the whole, in the proportion of installment business done by the small and large stores. The great difference was in open credit sales. The range of open credit sales was from 41.8 per cent of total sales for the smallest stores to 67.3 per cent for the largest stores.

KINDS AND EXTENT OF CREDIT BUSINESS OF 678 AUTOMOBILE ACCESSORY STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (164 stores)	15,247			15,247
Cash and open credit only (432 stores)	13,116	21,239		34,355
Cash and installment credit only (2 stores)	9		37	46
Cash, open credit, and installment credit (80 stores)	2,266	4,147	926	7,339
Total sales (678 stores)	30,638	25,386	963	56,987
Per cent of total sales	53.8	44.5	1.7	100.0

KINDS AND EXTENT OF CREDIT BUSINESS OF 265 AUTOMOBILE ACCESSORY STORES IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Installment credit	Total
1925:				
Volume of sales	14,173	8,388	259	22,820
Per cent of total sales	62.1	36.8	1.1	100.0
1926:				
Volume of sales	16,736	8,957	264	25,957
Per cent of total sales	64.5	34.5	1.0	100.0
1927:				
Volume of sales	16,259	9,035	337	25,631
Per cent of total sales	63.4	35.3	1.3	100.0
Per cent change in volume of sales:				
1926 over 1925	+18.0	+6.7	+1.9	+13.7
1927 over 1926	−2.9	+.8	+27.6	−1.3
1927 over 1925	+14.7	+7.7	+30.1	+12.3

KINDS AND EXTENT OF CREDIT BUSINESS OF 496 AUTOMOBILE ACCESSORY STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $25,000	129	55.8	41.8	2.4
$25,000 to $49,999	133	50.4	47.3	2.3
$50,000 to $99,999	128	37.4	60.1	2.5
$100,000 to $249,999	73	36.8	61.7	1.5
$250,000 and over	33	30.2	67.3	2.5
REGION				
New England	21	34.3	63.9	1.8
Central Atlantic	89	34.3	64.1	1.6
Mid-West	134	44.4	52.7	2.9
Southeast	24	34.3	64.4	1.3
Gulf Southwest	58	37.6	59.7	2.7
West Midcontinent	45	48.1	51.3	.6
Central Northwest	19	40.6	55.8	3.6
Pacific Northwest	26	28.0	69.7	2.3
Pacific Southwest	79	31.0	66.5	2.5
Total, including 1 store, district not shown	496	37.3	60.5	2.2

CREDIT LOSSES

The average loss on open credit sales for automobile accessory stores was 1.3 per cent. The average loss on installment credit sales was 3.6 per cent.

Open credit losses varied inversely with the size of stores; that is to say, the larger the stores the smaller the losses, on the average. The range was from an average open credit loss of 2.8 per cent for the smallest stores, those with sales less than $25,000, to 0.8 per cent for the largest stores, those with sales of $250,000 and over. There was no definite relationship between size of business and size of installment credit loss.

The data show great differences among individual establishments in regard to their bad debt losses. There were 73 stores with losses on open credit sales less than 0.2 per cent. At the other extreme were 64 stores with losses on open credit sales of 5 per cent or more. The latter stores thus had open credit losses at least twenty-five times as great proportionately as the former ones.

There were 30 establishments with losses on installment sales of less than 0.2 per cent and 13 with 5 per cent or more.

LOSSES FROM BAD DEBTS OF 496 AUTOMOBILE ACCESSORY STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $25,000	127	2.8	1.2	12	3.8	1.0
$25,000 to $49,999	133	1.9	.9	18	2.7	.4
$50,000 to $99,999	128	1.5	.9	19	5.8	.9
$100,000 to $249,999	73	1.2	.7	12	1.7	.1
$250,000 and over	33	.8	.6	7	3.5	.4
REGION						
New England	21	1.0	.6	5	.2	.01
Central Atlantic	88	1.1	.7	9	7.8	.9
Mid-West	134	1.2	.6	21	1.7	.3
Southeast	24	1.6	1.0	2	9.5	2.2
Gulf Southwest	58	1.9	1.1	12	4.0	.4
West Midcontinent	44	1.7	.8	4	2.8	.3
Central Northwest	19	1.3	.7	5	.6	.1
Pacific Northwest	26	1.0	.7	4	1.8	.2
Pacific Southwest	79	1.0	.7	5	4.3	.9
Total, including 1 store, district not shown	494	1.3	.8	68	3.6	.5

102798—30——3

AUTOMOBILE ACCESSORY STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total stores	Size group (sales volume)				
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
Less than 0.2 per cent	73	29	18	17	7	2
0.2 to 0.29 per cent	16	4	5	2	3	2
0.3 to 0.39 per cent	16	3	4	5	2	2
0.4 to 0.49 per cent	16		2	7	5	2
0.5 to 0.59 per cent	22	1	4	7	5	5
0.6 to 0.69 per cent	24	3	5	7	7	2
0.7 to 0.79 per cent	16	1	6	3	4	2
0.8 to 0.89 per cent	15	2	7	4	2	
0.9 to 0.99 per cent	14	2	5	3		4
1 to 1.49 per cent	71	17	24	17	9	4
1.5 to 1.9 per cent	53	3	13	19	13	5
2 to 2.9 per cent	57	14	17	13	10	3
3 to 3.9 per cent	28	9	7	9	3	
4 to 4.9 per cent	9	3	3	3		
5 per cent and over	64	36	13	12	3	
Total	494	127	133	128	73	33

AUTOMOBILE ACCESSORY STORES GROUPED ACCORDING TO SIZE OF INSTALLMENT CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on installment accounts to installment account sales]

Ratio of loss	Total	Size group (sales volume)				
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
Less than 0.2 per cent	30	6	8	8	5	3
0.2 to 0.29 per cent	2		1			1
0.3 to 0.39 per cent	1				1	
0.4 to 0.49 per cent						
0.5 to 0.59 per cent						
0.6 to 0.69 per cent	2		1		1	
0.7 to 0.79 per cent						
0.8 to 0.89 per cent						
0.9 to 0.99 per cent	2		1	1		
1 to 1.49 per cent	4	1	3			
1.5 to 1.9 per cent	4			2	1	1
2 to 2.9 per cent	3	1		1	1	
3 to 3.9 per cent	3			2	1	
4 to 4.9 per cent	4	2		1	1	
5 per cent and over	13	2	4	4	1	2
Total	68	12	18	19	12	7

TERMS ON INSTALLMENT SALES

Considerable diversity was reported among stores in regard to terms. The set of terms found most frequently was a down payment of 25 per cent and the period of time over which balance was to be paid six months or less. The set of terms taking second place for frequency was a down payment of 30 to 33⅓ per cent and the life of contract six months or less.

TERMS ON INSTALLMENT SALES OF AUTOMOBILE ACCESSORY STORES IN 1927

Down payment required	Life of contract in months	Stores	Installment credit	
			Ratio bad debts to credit sales	Ratio of bad debts to total sales
			Per cent	*Per cent*
10 per cent or less	6 or less	3	4.9	1.5
	7 to 12	1		
10 to 25 per cent	6 or less	2	0.2	0.07
	6 to 12	1	9.5	2.9
10 to more than 33⅓ per cent	6 or less to 36	1	2.0	1.2
11 to 24 per cent	6 or less	5	.8	.1
11 to 33⅓ per cent	do	1	1.5	.08
25 per cent	do	29	4.4	.5
	7 to 12	3	2.9	.4
25 to more than 33⅓ per cent	6 or less	1	.2	.03
	do	10	1.7	.1
30 to 33⅓ per cent	6 to 12	1		
	7 to 12	2	4.0	.8
More than 33⅓ per cent	6 or less	1	.9	.2

USE OF CREDIT BUREAUS

Of the 482 automobile accessory stores reporting on the use of credit bureaus, 368 of them, or 76.3 per cent, made use of credit bureaus, as compared with 114, or 23.7 per cent, which did not.

Of the 482 stores which reported on the subject of making credit investigations of their own, 79 stores, or 16.4 per cent, relied wholly on the credit bureaus for information; 289, or 59.9 per cent, supplemented the use of credit bureaus with investigations of their own; and 114, or 23.7 per cent, made no use of credit bureaus.

The average loss on open credit sales of those stores which relied wholly on the credit bureaus was 1.6 per cent, of those which used credit bureaus and supplemented their use with investigations of their own 1.3 per cent, and of those which did not use credit bureaus 1.1 per cent. The average loss on installment sales of the first group was 3 per cent, of the second 4 per cent, and of the third 2.3 per cent.

SOURCE OF CREDIT INFORMATION OF AUTOMOBILE ACCESSORY STORES IN 1927

Classification	Stores	Ratio of bad debts to—	
		Credit sales	Total cash and credit sales
		Per cent	*Per cent*
Stores using credit bureaus and making no investigations of their own (79 stores, 16.4 per cent):			
Open credit	79	1.6	0.9
Installment credit	12	3.0	.2
Stores using credit bureaus and also making investigations of their own (289 stores, 59.9 per cent):			
Open credit	287	1.3	.8
Installment credit	44	4.0	.6
Stores not making use of credit bureaus (114 stores, 23.7 per cent):			
Open credit	114	1.1	.5
Installment credit	12	2.3	.3

CHAIN STORES

Of the total of 496 automobile accessory stores doing credit business, 15 of them, or 3 per cent, were chain stores and 481, or 97 per cent, were not. The individual establishment decided the question whether it was a chain store.

The average open credit loss of the chain stores was 1.6 per cent and the average installment credit loss was 4.3 per cent. The average open credit loss of all other than chain stores was 1.3 per cent and the average installment credit loss was 3.5 per cent.

LOSSES FROM BAD DEBTS OF CHAIN AUTOMOBILE ACCESSORY STORES COMPARED WITH THOSE OF OTHER SUCH STORES IN 1927

Type	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Chain auto accessory stores (15 stores, 3 per cent):			
Open credit	15	1.6	0.8
Installment credit	4	4.3	1.5
All others (481 stores, 97 per cent):			
Open credit	479	1.3	.7
Installment credit	64	3.5	.4

RETURNS AND ALLOWANCES

The percentage of returns and allowances on cash, open credit, and installment sales, respectively, were 2.7 per cent of gross cash sales, 5.9 per cent of gross open credit sales, and 5.1 per cent of gross installment credit sales. Repossessions on installment sales are not included in returns and allowances.

In many, if not most, of the various kinds of retail stores studied, the larger stores had greater returns and allowance percentages than the smaller ones. This was not the case with automobile accessory stores. There was no relationship between size of store and returns and allowance percentages.

There were 55 stores with individual returns and allowance percentages on open credit sales of less than 2 per cent. At the other extreme were 11 stores with 10 per cent or more each.

RETURNS AND ALLOWANCES OF AUTOMOBILE ACCESSORY STORES IN 1927 GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Cash		Open credit		Installment credit	
	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances
SALES VOLUME						
Less than $25,000	32	8.3	27	5.0	3	4.4
$25,000 to $49,999	25	1.7	30	3.0	4	3.0
$50,000 to $99,999	18	4.9	34	3.6	3	3.8
$100,000 to $249,999	10	1.3	31	3.2	2	9.2
$250,000 and over	7	1.7	12	9.5	1	6.6
REGION						
New England	2	2.5	6	3.0	1	12.9
Central Atlantic	23	1.2	28	5.5	1	6.6
Mid-West	31	4.1	38	2.8	6	3.1
Southeast	2	.7	7	3.3		
Gulf Southwest	8	.9	15	2.9	1	5.1
West Midcontinent	10	6.2	9	4.7	1	7.0
Central Northwest	2	.9	3	2.4	1	1.2
Pacific Northwest	2	.8	6	2.5		
Pacific Southwest	11	1.7	22	14.4	2	10.9
Total, including one store, district not shown	92	2.7	134	5.9	13	5.1

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF AUTOMOBILE ACCESSORY STORES IN 1927

[Percentages based on gross sales]

Sales volume	Total	Stores having returns and allowances—					
		Less than 2 per cent	2 to 3.9 per cent	4 to 5.9 per cent	6 to 7.9 per cent	8 to 9.9 per cent	10 per cent and over
Less than $25,000	27	12	6	3			6
$25,000 to $49,999	30	11	10	5	1	2	1
$50,000 to $99,999	34	18	6	2	3	3	2
$100,000 to $249,999	31	12	11	5	2	1	
$250,000 and over	12	2	5	2	1		2
Total	134	55	38	17	7	6	11

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all stores to the outstanding balances due of the same stores when books were closed for the preceding month.

The open account collection ratio for the whole country was 49.8 per cent a month. April, with 53.3 per cent, had the highest average, and February, with 46.7 per cent, had the lowest.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF AUTOMOBILE ACCESSORY STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $25,000	21	35.9	36.4	31.3	35.0	34.7	36.8	34.7	33.0	34.1	36.1	35.6	33.7	49.0
$25,000 to $49,999	35	43.4	44.0	37.9	40.7	42.3	48.3	45.8	45.7	46.1	43.3	44.2	41.8	40.9
$50,000 to $99,999	49	49.7	45.9	44.7	46.0	60.2	54.8	52.0	50.9	51.9	49.8	49.5	46.2	44.4
$100,000 to $249,999	37	46.9	43.4	46.8	47.1	47.6	49.5	48.1	49.1	47.6	45.4	47.6	43.8	46.4
$250,000 and over	16	57.4	57.6	52.0	60.3	61.1	59.6	59.4	58.1	57.6	56.2	55.2	55.5	56.2
REGION														
New England	15	46.3	44.9	42.0	46.9	51.5	48.6	48.0	47.6	48.2	44.6	45.6	44.2	43.7
Central Atlantic	31	48.2	48.4	46.9	49.1	54.7	50.2	47.7	47.0	48.6	46.6	47.6	46.3	46.7
Mid-West	29	45.8	38.0	44.7	45.1	46.5	46.6	48.6	47.4	45.7	43.0	46.5	44.8	51.7
Southeast	6	45.5	47.5	47.9	46.1	48.8	47.4	45.1	44.0	41.6	45.6	44.6	45.4	41.1
Gulf Southwest	22	49.9	42.3	45.4	45.6	52.3	56.5	54.7	53.6	54.0	49.1	50.4	47.4	46.1
West Midcontinent	15	55.0	64.9	46.9	48.9	53.8	55.6	54.9	58.4	59.6	59.8	57.3	50.5	49.2
Central Northwest	2	48.2	39.4	23.5	56.2	51.5	60.6	62.1	43.2	52.7	54.5	38.7	51.5	44.4
Pacific Northwest	11	50.3	43.2	41.7	61.4	53.9	58.2	49.7	53.5	50.6	48.9	51.0	48.4	44.8
Pacific Southwest	27	59.9	62.4	57.0	62.7	63.3	65.5	63.4	63.0	59.0	59.3	56.1	52.2	57.3
Total	158	49.8	47.1	46.7	50.0	53.3	53.0	51.5	51.3	50.8	48.8	49.5	47.2	48.4

INDEPENDENT GROCERY STORES

EXTENT OF CREDIT BUSINESS

Reports from 2,164 independent grocery stores with total net sales in 1927 of $200,871,442 indicate that approximately half of this amount was for cash and half on credit. The exact figures were 50.1 per cent for cash and 49.9 per cent on open credit.

Of the total of 2,164 stores, 489 sold for cash only and 1,675 sold for both cash and credit.

Including chain grocery stores, reports were received covering 7,143 stores with total sales of $501,243,498. Of this amount, 77.4 per cent was for cash and 22.6 per cent was on open credit. The reports on chain stores were, for the most part, in consolidated form covering whole systems of chains, most of them selling on a cash basis. For this reason it is questionable if a table containing chain stores and others should be included. However, such table is presented for what it may be worth.

On the basis of 588 independent grocery stores reporting for 1925, 1926, and 1927, it was found that cash sales increased 8.7 per cent in 1927 over 1925 and open credit sales increased 9.1 per cent.

Considering only those independent stores which carried on credit business, of which there were 1,675, it was found that 39.7 per cent was for cash and 60.3 per cent was on credit.

EXTENT OF CREDIT BUSINESS OF 2,164 INDEPENDENT GROCERY STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Total
Cash only (489 stores)	34,622		34,622
Cash and open credit only (1,675 stores)	65,889	100,360	166,249
Total sales (2,164 stores)	100,511	100,360	200,871
Per cent of total sales	50.1	49.9	100.0

EXTENT OF CREDIT BUSINESS OF 7,143 CHAIN AND OTHER GROCERY STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Total
Cash only (5,407 stores)	295,430		295,430
Cash and open credit only (1,736 stores)	92,452	113,361	205,813
Total sales (7,143 stores)	387,882	113,361	501,243
Per cent of total sales	77.4	22.6	100.0

EXTENT OF CREDIT BUSINESS OF 588 INDEPENDENT GROCERY STORES IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Total
1925:			
Volume of sales	37,065	37,346	74,411
Per cent of total sales	49.8	50.2	100.0
1926:			
Volume of sales	39,517	39,420	78,937
Per cent of total sales	50.1	49.9	100.0
1927:			
Volume of sales	40,323	40,772	81,095
Per cent of total sales	49.7	50.3	100.0
Per cent change in volume of sales:			
1926 over 1925	+6.6	+5.5	+6.0
1927 over 1926	+2.0	+3.4	+2.7
1927 over 1925	+8.7	+9.1	+8.9

EXTENT OF CREDIT BUSINESS OF 1,675 INDEPENDENT GROCERY STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales
SALES VOLUME			
Less than $10,000	114	50.3	49.7
$10,000 to $24,999	335	46.1	53.9
$25,000 to $49,999	474	40.6	59.4
$50,000 to $99,999	410	36.2	63.8
$100,000 to $249,999	247	34.5	65.5
$250,000 to $499,999	54	37.4	62.6
$500,000 and over	41	44.4	55.6
REGION			
New England	94	55.2	44.8
Central Atlantic	285	43.6	56.4
Mid-West	559	37.2	62.8
Southeast	74	30.7	69.3
Gulf Southwest	134	31.9	68.1
West Midcontinent	148	34.8	65.2
Central Northwest	81	35.7	64.3
Pacific Northwest	95	28.0	72.0
Pacific Southwest	205	37.9	62.1
Total	1,675	39.7	60.3

LOSSES FROM BAD DEBTS

On the basis of reports from 1,675 independent grocery stores, the average loss on open credit sales was 0.7 per cent.

There was a very definite relationship between credit losses and size of stores. The credit losses varied inversely with the size of stores; that is, the larger the stores the smaller the credit losses. The average losses for the various size groups were, beginning with the smallest stores, those with total sales less than $10,000, and going through seven size groups, 5.4, 2.1, 1.2, 0.8, 0.6, 0.4, and 0.4 per cent. The largest size group included all stores with total net sales of $500,000 and over and was represented by 41 stores.

The New England States, represented by 94 stores, had the lowest average of any of the geographical districts; their average was 0.3 per cent. The Southeast and West Midcontinent States had the highest average, each having 1 per cent.

There were 315 stores with the very low loss of less than 0.2 per cent. At the other extreme were 168 stores with the very high loss of 5 per cent or more. The stores in the latter group thus had bad debt losses at least twenty-five times as great as those in the former group.

LOSSES FROM BAD DEBTS OF 1,675 INDEPENDENT GROCERY STORES, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*
Less than $10,000	114	5.4	2.7
$10,000 to $24,999	335	2.1	1.1
$25,000 to $49,999	474	1.2	.7
$50,000 to $99,999	410	.8	.5
$100,000 to $249,999	247	.6	.4
$250,000 to $499,999	54	.4	.3
$500,000 and over	41	.4	.2
REGION			
New England	94	.3	.1
Central Atlantic	285	.9	.5
Mid-West	559	.7	.4
Southeast	74	1.0	.7
Gulf Southwest	134	.5	.4
West Midcontinent	148	1.0	.6
Central Northwest	81	.7	.4
Pacific Northwest	95	.7	.5
Pacific Southwest	205	.6	.3
Total	1,675	.7	.4

INDEPENDENT GROCERY STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total stores	Size group (sales volume)						
		Less than $10,000	$10,000 to $24,999	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 and over
Less than 2 per cent	315	15	50	73	75	66	17	19
0.2 to 0.29 per cent	110	1	11	26	34	27	9	2
0.3 to 0.39 per cent	87		13	18	29	18	4	5
0.4 to 0.49 per cent	93	1	11	18	37	17	5	4
0.5 to 0.59 per cent	92	1	8	26	31	22	3	1
0.6 to 0.69 per cent	90	3	12	30	24	17	3	1
0.7 to 0.79 per cent	59		8	20	18	10	2	1
0.8 to 0.89 per cent	73	3	15	24	17	9	3	2
0.9 to 0.99 per cent	42		8	12	15	6	1	
1 to 1.49 per cent	211	7	35	82	53	24	6	4
1.5 to 1.9 per cent	104	6	24	38	25	11		
2 to 2.9 per cent	134	4	47	44	26	11	1	1
3 to 3.9 per cent	57	13	20	12	10	2		
4 to 4.9 per cent	40	10	14	13	1	1	1	
5 per cent and over	168	50	59	38	15	6		
Total	1,675	114	335	474	410	247	54	41

USE OF CREDIT BUREAUS

Out of a total of 1,633 independent grocery stores reporting on the use of credit bureaus, 997, or 61 per cent, made use of credit bureaus and 636, or 39 per cent, did not.

There were 208 stores, or 12.7 per cent of the total, which used credit bureaus and made no investigations of their own. These stores had an average loss on open credit sales of 0.5 per cent.

There were 789 stores, or 48.3 per cent of the total, which used credit bureaus and also made investigations of their own. The average loss on open credit sales of this group was 0.6 per cent.

Six hundred and thirty-six stores, or 39 per cent of the total, made no use of credit bureaus. The average open credit loss of this group was 1.1 per cent.

SOURCE OF CREDIT INFORMATION OF INDEPENDENT GROCERY STORES IN 1927

Classification	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Stores using credit bureaus and making no investigations of their own (12.7 per cent)	208	0.5	0.3
Stores using credit bureaus and also making investigations of their own (48.3 per cent)	789	.6	.4
Stores not making use of credit bureaus (39 per cent)	636	1.1	.5

RETURNS AND ALLOWANCES

The proportion of returns and allowances on cash and open credit sales, respectively, was 1 per cent of gross cash sales and 1.3 per cent of gross open credit sales.

Out of a total of 196 stores giving figures on returns and allowances, 26 of them had returns less than 0.2 per cent and 22 reported 5 per cent or more.

RETURNS AND ALLOWANCES OF INDEPENDENT GROCERY STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Cash		Open credit	
	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances
SALES VOLUME				
Less than $10,000	6	8.3	7	6.2
$10,000 to $24,999	18	1.6	29	5.6
$25,000 to $49,999	24	3.2	37	2.4
$50,000 to $99,999	24	4.3	41	.9
$100,000 to $249,999	21	.6	46	1.5
$250,000 to $499,999	10	1.0	22	1.0
$500,000 and over	8	.3	14	1.2
REGION				
New England	7	.8	10	1.5
Central Atlantic	21	.7	29	1.3
Mid-West	39	1.1	59	.9
Southeast	4	.4	10	1.0
Gulf Southwest	9	.2	17	.7
West Midcontinent	7	1.1	18	2.0
Central Northwest	3	1.1	10	2.5
Pacific Northwest	4	6.0	15	.8
Pacific Southwest	17	1.6	28	2.3
Total	111	1.0	196	1.3

102798—30——4

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF INDEPENDENT GROCERY STORES IN 1927

[Percentages based on gross sales]

Stores having returns and allowances—	Total stores	Size group (sales volume)						
		Less than $10,000	$10,000 to $24,999	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 and over
Less than 0.2 per cent	26	-------	4	1	9	8	4	-------
0.2 to 0.29 per cent	10	-------	-------	2	3	4	-------	1
0.3 to 0.39 per cent	9	-------	2	-------	2	2	3	-------
0.4 to 0.49 per cent	14	-------	1	1	6	1	2	3
0.5 to 0.59 per cent	14	-------	1	1	5	4	3	-------
0.6 to 0.69 per cent	11	-------	-------	7	1	3	-------	-------
0.7 to 0.79 per cent	10	-------	-------	2	2	5	-------	1
0.8 to 0.89 per cent	9	1	1	2	2	2	1	-------
0.9 to 0.99 per cent	9	-------	-------	1	3	2	2	1
1 to 1.49 per cent	14	-------	4	2	2	3	2	1
1.5 to 1.9 per cent	19	2	1	5	1	5	1	4
2 to 2.9 per cent	16	-------	3	3	1	3	4	2
3 to 3.9 per cent	10	1	2	3	2	2	-------	-------
4 to 4.9 per cent	3	-------	1	1	-------	-------	-------	1
5 per cent and over	22	3	9	6	2	2	-------	-------
Total	196	7	29	37	41	46	22	14

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all stores to the outstanding balances due of the same stores when books were closed for the preceding month.

The open account collection proportion of independent grocery stores for the whole country was 66.8 per cent, the highest ratio of any of the kinds of stores on which credit information has been tabulated. The range was from an average of 34.3 per cent for the smallest stores, those with sales less than $10,000, to 73.6 per cent, the average for the stores with annual net sales of $500,000 and over.

December, with 69.2 per cent, had the highest average of any month, and September, with 65.3 per cent, had the lowest average.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF INDEPENDENT GROCERY STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $10,000	6	34.3	23.0	22.0	40.3	40.3	39.3	35.9	39.6	29.6	37.0	43.8	38.3	38.5
$10,000 to $24,999	30	56.5	55.2	44.7	57.2	59.0	55.8	57.8	59.9	58.9	60.8	59.9	57.2	54.2
$25,000 to $49,999	43	53.6	49.1	50.0	51.7	59.4	61.0	54.7	54.3	57.1	46.0	54.3	51.2	54.4
$50,000 to $99,999	69	60.7	69.8	70.0	62.0	54.7	53.2	60.4	59.1	57.6	59.3	60.9	60.0	62.6
$100,000 to $249,999	68	57.6	61.1	57.1	58.1	58.4	57.4	57.4	56.0	54.8	56.0	56.7	58.0	60.3
$250,000 to $499,999	19	65.5	66.4	61.3	65.7	63.2	62.1	64.5	62.6	64.4	67.6	69.1	69.5	69.4
$500,000 and over	23	73.6	70.3	72.0	72.4	74.4	75.7	73.9	73.1	74.3	72.0	74.0	75.1	75.7
REGION														
New England	13	68.4	66.6	65.2	64.2	68.7	71.1	71.4	70.3	67.7	67.1	66.8	71.7	71.3
Central Atlantic	24	61.3	73.4	68.9	62.4	48.3	49.1	59.3	61.2	61.4	60.5	65.2	64.5	65.1
Mid-West	62	64.5	67.0	62.5	65.7	66.2	62.7	63.2	63.7	63.9	64.3	64.8	64.0	65.7
Southeast	17	55.9	59.0	54.5	54.6	54.7	56.4	53.6	53.2	53.3	55.8	58.5	57.0	59.6
Gulf Southwest	18	79.5	66.9	81.3	80.0	80.9	81.5	78.0	76.5	80.0	75.5	83.4	79.8	82.4
West Midcontinent	27	61.2	66.0	60.0	58.1	63.2	60.3	61.9	60.6	58.6	56.3	59.5	65.8	65.4
Central Northwest	18	56.1	57.1	56.4	57.3	55.9	55.4	54.8	54.2	55.7	54.9	56.0	54.6	61.1
Pacific Northwest	28	58.2	57.4	56.3	58.0	60.7	57.8	58.6	57.1	56.4	58.7	59.9	58.8	59.0
Pacific Southwest	51	71.1	72.5	70.2	73.5	71.6	73.3	71.0	68.2	70.8	69.9	70.2	70.3	71.9
Total	258	66.8	66.9	66.2	66.5	66.6	66.8	66.8	65.8	66.0	65.3	67.1	67.8	69.2

BAKERY PRODUCT STORES

KINDS AND EXTENT OF CREDIT BUSINESS

Reports from 353 bakery product stores with total net sales in 1927 of $22,474,390 indicate that 80.2 per cent of this amount was for cash and 19.8 per cent was on open credit.

Of the 353 stores, 191 sold for cash only and 162 sold for cash and open credit.

On the basis of 97 stores reporting for 1925, 1926, and 1927, it was found that cash sales increased 5.6 per cent in 1927 over 1925 and open credit sales increased 9.7 per cent.

EXTENT OF CREDIT BUSINESS OF 353 BAKERY PRODUCT STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Total
Cash only (191 stores)	9,738	-------	9,738
Cash and open credit only (162 stores)	8,291	4,445	12,736
Total sales (353 stores)	18,029	4,445	22,474
Per cent of total sales	80.2	19.8	100

EXTENT OF CREDIT BUSINESS OF 97 BAKERY PRODUCT STORES IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Total
1925:			
Volume of sales	6,521	1,889	8,410
Per cent of total sales	77.5	22.5	100
1926:			
Volume of sales	7,017	2,028	9,045
Per cent of total sales	77.6	22.4	100
1927:			
Volume of sales	6,891	2,074	8,965
Per cent of total sales	76.9	23.1	100
Per cent change in volume of sales:			
1926 over 1925	+7.6	+7.3	+7.5
1927 over 1926	−1.8	+2.2	−0.9
1927 over 1925	+5.6	+9.7	+6.5

EXTENT OF CREDIT BUSINESS OF 71 BAKERY PRODUCT STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales
SALES VOLUME			
Less than $10,000	4	65.1	34.9
$10,000 to $24,999	12	73.5	26.5
$25,000 to $49,999	11	57.2	42.8
$50,000 to $99,999	22	68.1	31.9
$100,000 to $249,999	10	60.0	40.0
$250,000 and over	12	70.1	29.9
REGION			
New England	5	74.4	25.6
Central Atlantic	24	61.9	38.1
Mid-West	17	72.7	27.3
Southeast	1	88.0	12.0
Gulf Southwest	3	46.7	53.3
West Midcontinent	5	61.9	38.1
Central Northwest	2	49.7	50.3
Pacific Northwest	4	49.4	50.6
Pacific Southwest	10	87.1	12.9
Total	71	67.7	32.3

LOSSES FROM BAD DEBTS

The average loss on open credit sales for bakery product stores was 0.7 per cent.

The data show great differences among individual establishments in regard to their bad debt losses. There were 25 stores with losses on open credit sales of less than 0.2 per cent. At the other extreme were six stores with losses on open credit sales of 5 per cent or more. One of the stores in this latter group with very high losses was a large store, with sales over $250,000.

LOSSES FROM BAD DEBTS OF 71 BAKERY PRODUCT STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*
Less than $10,000	4	7.7	2.6
$10,000 to $24,999	12	2.1	.5
$25,000 to $49,999	11	1.6	.7
$50,000 to $99,999	22	.9	.2
$100,000 to $249,999	10	.3	.1
$250,000 and over	12	.6	.2
REGION			
New England	5	1.9	.5
Central Atlantic	24	.8	.3
Mid-West	17	.3	.09
Southeast	1		
Gulf Southwest	3	.3	.1
West Midcontinent	5	.4	.1
Central Northwest	2	1.2	.6
Pacific Northwest	4	.2	.1
Pacific Southwest	10	.6	.08
Total	71	.7	.2

BAKERY PRODUCT STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total stores	Size group (sales volume)					
		Less than $10,000	$10,000 to $24,999	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
Less than 0.2 per cent	25	2	3	6	7	3	4
0.2 to 0.29 per cent	5				2	2	1
0.3 to 0.39 per cent	6		1		3		2
0.4 to 0.49 per cent	2					1	1
0.5 to 0.59 per cent	2		1		1		
0.6 to 0.69 per cent	4		1		1	2	
0.7 to 0.79 per cent							
0.8 to 0.89 per cent							
0.9 to 0.99 per cent	2			1			1
1 to 1.49 per cent	5		1	1	2	1	
1.5 to 1.9 per cent	2			1	1		
2 to 2.9 per cent	3		2				1
3 to 3.9 per cent	4	1			2		1
4 to 4.9 per cent	5		1	2	1	1	
5 per cent and over	6	1	2		2		1
Total	71	4	12	11	22	10	12

USE OF CREDIT BUREAUS

Of the 70 stores reporting on the use of credit bureaus, 29 of them, or 41.4 per cent, used credit bureaus as compared with 41, or 58.6 per cent, which did not.

Of the 70 stores which reported on the subject of making credit investigations of their own, 10 stores, or 14.3 per cent, relied wholly on the credit bureaus for information, 19, or 27.1 per cent, supplemented the use of credit bureaus with investigations of their own, and 41, or 58.6 per cent, made no use of credit bureaus.

The average loss on open credit sales of those stores which relied wholly on the credit bureaus was 1.1 per cent, of those which used credit bureaus and supplemented their use with investigations of their own, 0.4 per cent, and of those which did not use credit bureaus 0.8 per cent.

SOURCE OF CREDIT INFORMATION OF BAKERY PRODUCT STORES IN 1927

Classification	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Stores using credit bureaus and making no investigations of their own (14.3 per cent)	10	1.1	0.2
Stores using credit bureaus and also making investigations of their own (27.1 per cent)	19	.4	.1
Stores not making use of credit bureaus (58.6 per cent)	41	.8	.2

CHAIN BAKERY PRODUCT STORES

Out of a total of 71 stores doing credit business, 2 of them, or 2.8 per cent, were chain stores. The individual establishments decided the question whether it was a chain store.

The average open credit loss of the chain stores was 0.4 per cent. The average of other than chain stores was 0.7 per cent.

LOSSES FROM BAD DEBTS OF CHAIN BAKERY PRODUCT STORES COMPARED WITH THOSE OF OTHER BAKERY PRODUCT STORES IN 1927

Type	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Chain bakery product stores (2 stores, 2.8 per cent)	2	0.4	0.04
All other (69 stores, 97.2 per cent)	69	.7	.2

RADIO STORES

KINDS AND EXTENT OF CREDIT BUSINESS

Reports from 92 radio stores with total net sales in 1927 of $9,894,860, indicate that 47.5 per cent of this amount was for cash, 23.3 per cent on open credit, and 29.2 per cent on installment credit. It is believed that the proportion of installment sales has increased recently; the figures here presented apply to 1927 only.

Of the 92 stores, 7 sold for cash only, 18 sold for cash and open credit only, 20 sold for cash and installment credit only, and 47 sold for cash, open credit, and installment credit.

On the basis of returns from 25 stores reporting for 1925, 1926, and 1927, it was found that cash sales increased 14.2 per cent in 1927 over 1925, open credit sales decreased 0.3 per cent, and installment sales increased 36.2 per cent.

KINDS AND EXTENT OF CREDIT BUSINESS OF 92 RADIO STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (7 stores)	465			465
Cash and open credit only (18 stores)	452	1,052		1,504
Cash and installment credit only (20 stores)	2,406		573	2,979
Cash, open credit, and installment credit (47 stores)	1,372	1,256	2,318	4,946
Total sales (92 stores)	4,695	2,308	2,891	9,894
Per cent of total sales	47.5	23.3	29.2	100.0

KINDS AND EXTENT OF CREDIT BUSINESS OF 25 RADIO STORES IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Installment credit	Total
1925:				
Volume of sales	2,428	413	196	3,037
Per cent of total sales	79.9	13.6	6.5	100.0
1926:				
Volume of sales	2,706	419	213	3,338
Per cent of total sales	81.1	12.5	6.4	100.0
1927:				
Volume of sales	2,774	412	267	3,453
Per cent of total sales	80.3	11.9	7.8	100.0
Per cent change in volume of sales:				
1926 over 1925	+11.4	+1.4	+8.6	+9.9
1927 over 1926	+2.5	−1.7	+25.3	+3.4
1927 over 1925	+14.2	−.3	+36.2	+13.6

KINDS AND EXTENT OF CREDIT BUSINESS OF 85 RADIO STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $25,000	22	52.1	15.6	32.3
$25,000 to $49,999	31	42.1	21.3	36.6
$50,000 to $99,999	18	29.1	28.1	42.8
$100,000 to $249,999	8	31.4	28.5	40.1
$250,000 and over	6	51.5	24.0	24.5
REGION				
New England	8	16.5	38.4	45.1
Central Atlantic	11	46.9	48.8	4.3
Mid-West	37	69.6	7.4	23.0
Southeast	3	8.6	36.7	54.7
Gulf Southwest	9	35.8	23.1	41.1
West Midcontinent	6	34.0	57.5	8.5
Central Northwest	2	20.5	42.3	37.2
Pacific Northwest	2	34.8	2.6	62.6
Pacific Southwest	7	25.3	19.5	55.2
Total	85	44.8	24.5	30.7

LOSSES FROM BAD DEBTS

The average loss on open-credit sales for radio stores was 1.4 per cent. The average loss on installment sales was 1.1 per cent.

The data show great differences among individual establishments in regard to their bad debt losses. There were 12 stores with losses on open credit sales of less than 0.2 per cent. At the other extreme were 12 stores with losses on open credit sales of 5 per cent or more. The latter stores had open credit losses at least twenty-five times as great, proportionately, as the former.

There were 33 establishments with losses on installment sales of less than 0.2 per cent and 5 with 5 per cent or more.

LOSSES FROM BAD DEBTS OF 85 RADIO STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $25,000	14	7.0	1.5	17	1.8	0.7
$25,000 to $49,999	24	1.7	.4	24	2.9	1.3
$50,000 to $99,999	16	1.9	.6	16	1.0	.5
$100,000 to $249,999	6	2.0	.7	6	.1	.08
$250,000 and over	5	.9	.3	4	.7	.2
REGION						
New England	6	1.3	.5	7	3.2	1.8
Central Atlantic	10	.5	.2	5	1.4	.08
Mid-West	26	3.1	.6	30	1.0	.2
Southeast	3	1.5	.5	2	.7	.5
Gulf Southwest	8	2.4	.6	8	1.0	.4
West Midcontinent	5	.6	.4	4	.06	.01
Central Northwest	2	2.0	.8	2	.4	.1
Pacific Northwest	1			2	1.0	.6
Pacific Southwest	4	2.3	.6	7	.7	.4
Total	65	1.4	.5	67	1.1	.4

RADIO STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total stores	Size group (sales volume)				
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
Less than 0.2 per cent	12	4	4	3	1	
0.2 to 0.29 per cent	1					1
0.3 to 0.39 per cent	2		1			1
0.4 to 0.49 per cent						
0.5 to 0.59 per cent	3			3		
0.6 to 0.69 per cent	6		2	2	1	1
0.7 to 0.79 per cent	3		2	1		
0.8 to 0.89 per cent	1		1			
0.9 to 0.99 per cent						
1 to 1.49 per cent	5		3	2		
1.5 to 1.9 per cent	7	1	3		2	1
2 to 2.9 per cent	9	3	4		1	1
3 to 3.9 per cent	1			1		
4 to 4.9 per cent	3	1		2		
5 per cent and over	12	5	4	2	1	
Total	65	14	24	16	6	5

RADIO STORES GROUPED ACCORDING TO SIZE OF INSTALLMENT CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on installment accounts to installment account sales]

Ratio of loss	Total stores	Size groups (sales volume)				
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
Less than 0.2 per cent	33	7	13	7	4	2
0.2 to 0.29 per cent						
0.3 to 0.39 per cent	1				1	
0.4 to 0.49 per cent	1		1			
0.5 to 0.59 per cent	3		1	1	1	
0.6 to 0.69 per cent	4		3	1		
0.7 to 0.79 per cent	1					1
0.8 to 0.89 per cent						
0.9 to 0.99 per cent	2	2				
1 to 1.49 per cent	6		2	4		
1.5 to 1.9 per cent	2		1	1		
2 to 2.9 per cent	2	2				
3 to 3.9 per cent	2	2				
4 to 4.9 per cent	5	2	1	2		
5 per cent and over	5	2	2			1
Total	67	17	24	16	6	4

TERMS ON INSTALLMENT SALES

The table on terms shows diversity among stores. The set of terms found most frequently was a down payment of 25 per cent and a credit period of 7 to 12 months. The set of terms taking second place for frequency was a down payment of 11 to 24 per cent and the life of the contract 7 to 12 months.

TERMS ON INSTALLMENT SALES OF RADIO STORES IN 1927

Down payment required	Life of contract in months	Stores	Ratio bad debts to installment credit sales	Ratio bad debts to total sales
			Per cent	*Per cent*
10 per cent or less	6 or less	1	4.7	4.5
	7 to 12	3	6.6	4.6
10 or less to 25 per cent	6 or less to 12	1		
	7 to 12	2	.4	.1
	7 to 18	1	.7	.5
10 or less to 33⅓ per cent	6 or less to 12	1	1.0	.4
	7 to 12	1	1.7	.7
	7 to 18	1	13.5	.7
11 to 24 per cent	7 to 12	9	1.4	.1
11 to 33⅓ per cent	6 or less to 12	1		
	7 to 12	2	.3	.2
25 per cent	6 or less	2	1.2	.4
	6 or less to 12	2		
	7 to 12	17	.3	.1
25 to 33⅓ per cent	6 or less	1		
	7 to 12	2	.6	.2
25 to more than 33⅓ per cent	do	1		
30 to 33⅓ per cent	6 or less	1	2.2	.3
	7 to 12	4	.7	.07
More than 33⅓ per cent	6 or less to 12	1	17.0	7.8
	7 to 12	2	.9	.4

USE OF CREDIT BUREAUS

Of the 84 radio stores reporting on the use of credit bureaus, 64 of them, or 76.2 per cent, made use of credit bureaus as compared with 20, or 23.8 per cent, which did not.

Of the 84 stores which reported on the subject of making credit investigations of their own, 11 stores, or 13.1 per cent, relied wholly on the credit bureaus for information; 53, or 63.1 per cent, supplemented the use of credit bureaus with investigations of their own; and 20 stores, or 23.8 per cent, made no use of credit bureaus.

The average loss on open credit sales of those stores which relied wholly on the credit bureaus was 1.9 per cent, of those which used credit bureaus and supplemented their use with investigations of their own 1.3 per cent; and of those which did not use credit bureaus 4 per cent.

The average loss on installment credit sales of the first group was 2.3 per cent; of the second 1 per cent; and of the third 0.8 per cent.

SOURCE OF CREDIT INFORMATION OF RADIO STORES IN 1927

Classification	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Stores using credit bureaus and making no investigations of their own (11 stores, 13.1 per cent):			
Open credit	9	1.9	0.6
Installment credit	8	2.3	.1
Stores using credit bureaus and also making investigations of their own (53 stores, 63.1 per cent):			
Open credit	45	1.3	.5
Installment credit	43	1.0	.5
Stores not making use of credit bureaus (20 stores, 23.8 per cent):			
Open credit	11	4.0	.6
Installment credit	15	.8	.4

CHAIN RADIO STORES

Out of a total of 85 stores doing credit business, 5 of them, or 5.9 per cent, were chain stores. The individual establishment decided the question whether it was a chain store.

The average open credit loss of the chain stores (3 stores reporting) was 5.1 per cent. The average installment credit loss (5 stores reporting) was 1.3 per cent.

The average open credit loss of other than chain stores (62 reporting) was 1.3 per cent, and the average installment credit loss was 1 per cent.

LOSSES FROM BAD DEBTS OF CHAIN RADIO STORES COMPARED WITH THOSE OF OTHER RADIO STORES IN 1927

Type	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Chain radio stores (5 stores, 5.9 per cent):			
Open credit	3	5.1	0.6
Installment credit	5	1.3	.1
All others (80 stores, 94.1 per cent):			
Open credit	62	1.3	.5
Installment credit	62	1.0	.5

RETURNS AND ALLOWANCES

The percentages of returns and allowances on cash, open credit, and installment sales, respectively, were 3.6 per cent of gross cash sales, 10.3 per cent of gross open credit sales, and 6.9 per cent of gross installment credit sales.

There were 8 stores with returns and allowances on open credit sales of less than 5 per cent and 2 with 20 per cent or over; 1 of them had over 25 per cent.

RETURNS AND ALLOWANCES OF RADIO STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Cash		Open credit		Installment credit	
	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances
SALES VOLUME						
Less than $25,000	6	5.7	4	5.1	5	3.9
$25,000 to $49,999	8	6.9	7	9.9	3	2.9
$50,000 to $99,999	5	5.7	5	25.5	4	4.8
$100,000 to $249,999	5	2.4	3	1.9	3	4.9
$250,000 and over	2	.8	3	10.1	1	8.0
REGION						
New England	3	5.2	2	1.8	1	1.5
Central Atlantic	3	.9	2	.6		
Mid-West	12	4.7	6	27.2	7	5.3
Southeast			3	11.0	2	7.9
Gulf Southwest	5	2.3	5	6.2	2	2.7
West Midcontinent	1	.6	1	7.8	1	3.7
Central Northwest			1	17.2		
Pacific Northwest					1	4.9
Pacific Southwest	2	4.6	2	4.1	2	6.7
Total	26	3.6	22	10.3	16	6.9

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF RADIO STORES IN 1927

[Percentages based on gross sales]

Sales volume	Total stores	Stores having returns and allowances—					
		Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 to 19.9 per cent	20 to 24.9 per cent	25 per cent and over
Less than $25,000	4	1	1	1		1	
$25,000 to $49,999	7	3	2		2		
$50,000 to $99,999	5	2		2			1
$100,000 to $249,999	3	2	1				
$250,000 and over	3		2	1			
Total	22	8	6	4	2	1	1

RETURNS AND ALLOWANCES ON INSTALLMENT CREDIT SALES OF RADIO STORES IN 1927

[Percentages based on gross sales]

Sales volume	Total stores	Stores having returns and allowances—			
		Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 per cent and over
Less than $25,000	5	4	1		
$25,000 to $49,999	3	2	1		
$50,000 to $99,999	4	2	1	1	
$100,000 to $249,999	3	2	1		
$250,000 and over	1		1		
Total	16	10	5	1	

ELECTRICAL APPLIANCE STORES

KINDS AND EXTENT OF CREDIT BUSINESS

Reports from 627 electrical appliance stores with total net sales in 1927 of $77,955,777 indicate that 15.4 per cent of this amount was for cash, 35.4 per cent on open credit, and 49.2 per cent on installment credit.

Of the 627 stores, 12 sold for cash only, 100 sold for cash and open credit only, 165 sold for cash and installment credit only, and 350 sold for cash, open credit, and installment credit.

On the basis of returns from 239 stores reporting for 1925, 1926, and 1927, it was found that cash sales increased 11 per cent in 1927 over 1925, open credit sales increased 2 per cent, and installment sales increased 12.6 per cent.

The larger stores did a much greater proportion of their business on installment credit than the smaller ones. The range was from an average of 20.1 per cent of total sales on installments for the stores in the smallest size group, those with sales less than $25,000, to 47 per cent of total sales on installments for the stores in the largest size group, those with sales of $250,000 or over.

KINDS AND EXTENT OF CREDIT BUSINESS OF 627 ELECTRICAL APPLIANCE STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (12 stores)	149			149
Cash and open credit only (100 stores)	3,244	8,383		11,627
Cash and installment credit only (165 stores)	1,998		12,523	14,521
Cash, open credit, and installment credit (350 stores)	6,622	19,228	25,808	51,658
Total sales (627 stores)	12,013	27,611	38,331	77,955
Per cent of total sales	15.4	35.4	49.2	100.0

KINDS AND EXTENT OF CREDIT BUSINESS OF 239 ELECTRICAL APPLIANCE STORES IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Installment credit	Total
1925:				
Volume of sales	4,828	13,219	16,435	34,482
Per cent of total sales	14.0	38.3	47.7	100.0
1926:				
Volume of sales	5,293	14,464	18,862	38,619
Per cent of total sales	13.7	37.5	48.8	100.0
1927:				
Volume of sales	5,363	13,489	18,517	37,369
Per cent of total sales	14.4	36.1	49.5	100.0
Per cent change in volume of sales:				
1926 over 1925	+9.6	+9.4	+14.7	+11.9
1927 over 1926	+1.3	−6.8	−1.9	−3.3
1927 over 1925	+11.0	+2.0	+12.6	+8.3

KINDS AND EXTENT OF CREDIT BUSINESS OF 312 ELECTRICAL APPLIANCE STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $25,000	54	36.0	43.9	20.1
$25,000 to $49,999	72	31.7	42.2	26.1
$50,000 to $99,999	88	25.8	41.7	32.5
$100,000 to $249,999	61	22.0	36.3	41.7
$250,000 and over	37	16.7	36.3	47.0
REGION				
New England	24	16.7	50.1	33.2
Central Atlantic	71	12.1	28.4	59.5
Mid-West	83	22.4	33.7	43.9
Southeast	18	21.0	39.9	39.1
Gulf Southwest	25	17.1	42.3	40.6
West Midcontinent	31	35.1	31.2	33.7
Central Northwest	14	26.7	35.7	37.6
Pacific Northwest	9	11.7	70.4	17.9
Pacific Southwest	37	28.0	52.5	19.5
Total	312	20.0	37.4	42.6

LOSSES FROM BAD DEBTS

The average loss on open credit sales for electrical applicance stores was 1.5 per cent. The average loss on installment sales was also 1.5 per cent.

The data show great differences among individual establishments in regard to their bad debt losses. There were 56 stores with losses on open credit sales less than 0.2 per cent. At the other extreme were 31 stores with losses on open credit sales of 5 per cent or more. The latter stores had open credit losses at least twenty-five times as great, proportionately, as the former ones.

There were 100 establishments with losses on installment sales of less than 0.2 per cent and 11 with 5 per cent or more.

LOSSES FROM BAD DEBTS OF 312 ELECTRICAL APPLIANCE STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $25,000	48	1.3	0.6	28	1.8	0.6
$25,000 to $49,999	62	2.5	1.2	49	2.2	.8
$50,000 to $99,999	73	1.1	.5	61	.5	.2
$100,000 to $249,999	44	1.2	.6	48	1.0	.5
$250,000 and over	29	1.5	.7	26	1.8	1.1
REGION						
New England	20	1.0	.7	11	.7	.4
Central Atlantic	55	.7	.3	47	1.8	1.3
Mid-West	68	1.6	.6	60	1.8	.9
Southeast	16	2.0	.8	11	1.2	.6
Gulf Southwest	20	.8	.4	20	1.0	.4
West Midcontinent	25	2.2	.9	23	.9	.4
Central Northwest	14	.8	.2	11	.7	.3
Pacific Northwest	9	.3	.2	6	1.0	.2
Pacific Southwest	29	2.4	1.6	23	.7	.2
Total	256	1.5	.7	212	1.5	.8

ELECTRICAL APPLIANCE STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total stores	Size group (sales volume)				
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
Less than 0.2 per cent	56	14	12	16	4	10
0.2 to 0.29 per cent	12	1	2	3	4	2
0.3 to 0.39 per cent	8	1	1	3	2	1
0.4 to 0.49 per cent	12	2	1	5	2	2
0.5 to 0.59 per cent	11	1	1	4	2	3
0.6 to 0.69 per cent	14	1	1	5	6	1
0.7 to 0.79 per cent	8	1	3	2	2	----
0.8 to 0.89 per cent	7	1	2	2	1	1
0.9 to 0.99 per cent	9	----	3	3	2	1
1 to 1.49 per cent	22	6	4	6	3	3
1.5 to 1.9 per cent	23	6	5	3	8	1
2 to 2.9 per cent	27	1	10	10	4	2
3 to 3.9 per cent	11	1	4	4	1	1
4 to 4.9 per cent	5	1	2	1	----	1
5 per cent and over	31	11	11	6	3	----
Total	256	48	62	73	44	29

ELECTRICAL APPLIANCE STORES GROUPED ACCORDING TO SIZE OF INSTALLMENT CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on installment accounts to installment account sales]

Ratio of loss	Total stores	Size group (sales volume)				
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
Less than 0.2 per cent	100	17	23	33	21	6
0.2 to 0.29 per cent	9	1	2	4	2	
0.3 to 0.39 per cent	6			3	2	1
0.4 to 0.49 per cent	9		1	4	1	3
0.5 to 0.59 per cent	9	3	1	3	1	1
0.6 to 0.69 per cent	3			1	2	
0.7 to 0.79 per cent	2				2	
0.8 to 0.89 per cent	5		2	2		1
0.9 to 0.99 per cent	4		1	2		1
1 to 1.49 per cent	19	1	4	5	6	3
1.5 to 1.9 per cent	13	1	4	2	3	3
2 to 2.9 per cent	11	1	2		3	5
3 to 3.9 per cent	9	2	3	1	1	2
4 to 4.9 per cent	2		1		1	
5 per cent and over	11	2	5	1	3	
Total	212	28	49	61	48	26

TERMS ON INSTALLMENT SALES

The returns show great diversity among stores in regard to terms. The set of terms found most frequently was a down payment of 10 per cent or less and a credit period of 7 to 12 months. The terms of 51 stores fall within this group. The set of terms taking second place for frequency was a down payment of 11 to 24 per cent and the life of contract 7 to 12 months. The terms of 27 stores fall within this group.

It will be noted that in these sets of terms, taking first and second places for frequency, the life of contract in both cases was the same, 7 to 12 months. In the first group the average loss on installment accounts was 1.5 per cent, in the second 0.6 per cent. If the numbers of stores are large enough to be representative of their respective groups, it follows that with the life of the contract, 7 to 12 months, much less loss is incurred with a down payment from 11 to 24 per cent than with a down payment of 10 per cent or less.

TERMS ON INSTALLMENT SALES OF ELECTRICAL APPLIANCE STORES IN 1927

Down payment required	Life of contract, in months	Stores	Ratio bad debts to installment credit sales	Ratio bad debts to total sales
			Per cent	*Per cent*
10 per cent or less	6 or less	3	1.8	1.2
	6 or less to 12	1	1.9	1.9
	6 or less to 18	4	1.0	.6
	6 or less to 24	2	2.0	1.0
	7 to 12	51	1.5	.8
	7 to 18	12	.6	.4
	7 to 24	4	1.8	1.3
	7 to 30	1	1.9	1.1
	7 to 36	1	2.6	2.6
	13 to 18	8	1.2	.9
	13 to 24	1	3.7	2.7
	19 to 24	3	1.4	1.0

TERMS ON INSTALLMENT SALES OF ELECTRICAL APPLIANCE STORES IN 1927—Continued

Down payment required	Life of contract, in months	Stores	Ratio bad debts to installment credit sales	Ratio bad debts to total sales
			Per cent	*Per cent*
10 or less to 25 per cent	6 or less	3	1.9	0.9
	6 or less to 12	2	1.6	.4
	6 or less to 18	3	1.9	1.8
	6 or less to 24	1	1.5	.1
	7 to 12	14	.4	.1
	7 to 18	5	1.1	.3
	7 to 24	1		
	13 to 18	1		
	19 to 24	1	2.5	2.2
10 or less to 33⅓ per cent	6 or less to 18	2	1.1	.8
	13 to 18	1	.3	.1
10 or less to more than 33⅓ per cent	6 or less to 36	1	1.6	1.2
	7 to 12	1	6.0	.1
	19 to 24	1	.3	.3
11 to 24 per cent	6 or less to 12	2		
	6 or less to 18	1		
	7 to 12	27	.6	.1
	7 to 18	2	.2	.2
11 to 33⅓ per cent	7 to 12	1	.3	.3
	7 to 18	1		
11 to more than 33⅓ per cent	do	1	2.5	.4
25 per cent	6 or less	5	.2	.03
	6 or less to 12	1	1.0	.2
	7 to 12	11	2.3	.6
	7 to 30	1	.1	.07
	19 to 24	1		
	25 to 30	1		
25 to 33⅓ per cent	6 or less	1	.2	.03
	7 to 12	1		
30 to 33⅓ per cent	6 or less	3	.4	.3
	7 to 12	3		
30 to more than 33⅓ per cent	6 or less to 12	1	3.1	.7
More than 33⅓ per cent	6 or less	1		
	13 to 18	1		

USE OF CREDIT BUREAUS

Of the 303 stores reporting on the use of credit bureaus, 224 of them, or 73.9 per cent, made use of credit bureaus as compared with 79, or 26.1 per cent, which did not.

Of the 303 stores which reported on the subject of making credit investigations of their own, 57 stores, or 18.8 per cent, relied wholly on the credit bureaus for information; 167, or 55.1 per cent, supplemented the use of the credit bureau with investigations of their own; and 79 stores, or 26.1 per cent, made no use of credit bureaus.

The average loss on open credit sales of those stores which relied wholly on the credit bureaus was 0.7 per cent; of those which used credit bureaus and supplemented their use with investigations of their own 1.8 per cent; and of those which did not use credit bureaus 0.9 per cent.

The average loss on installment credit sales of the first group was 0.9 per cent, of the second 1.7 per cent, and of the third 1.4 per cent.

SOURCE OF CREDIT INFORMATION OF ELECTRICAL APPLIANCE STORES IN 1927

Classification	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
Stores using credit bureaus and making no investigations of their own (57 stores, 18.8 per cent):		*Per cent*	*Per cent*
Open credit	48	0.7	0.4
Installment credit	37	.9	.3
Stores using credit bureaus and also making investigations of their own (167 stores, 55.1 per cent):			
Open credit	133	1.8	.9
Installment credit	125	1.7	.9
Stores not making use of credit bureaus (79 stores, 26.1 per cent):			
Open credit	68	.9	.3
Installment credit	47	1.4	.8

RETURNS AND ALLOWANCES

The percentage of returns and allowances on cash, open credit, and installment sales, respectively, were 5.8 per cent of gross cash sales, 6 per cent of gross open credit sales, and 11.4 per cent of gross installment credit sales. Repossessions on installment sales are not included in returns and allowances.

The larger stores had greater returns and allowance percentages than the smaller ones. This is particularly noticeable in connection with installment sales. The range was from 2.9 per cent for the smallest stores, those with total sales less than $25,000, to 12.5 per cent for the largest stores, those with sales of $250,000 or over. There were 29 stores which had returns and allowances less than 5 per cent. At the other extreme were 5 stores with percentages of 25 or more.

On open credit sales, there were 56 stores with returns and allowances of less than 5 per cent. At the other extreme were 2 stores with ratios of 25 per cent or more.

RETURNS AND ALLOWANCES OF ELECTRICAL APPLIANCE STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Cash		Open credit		Installment credit	
	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances
SALES VOLUME						
Less than $25,000	4	2.2	7	1.5	5	2.9
$25,000 to $49,999	12	2.0	16	3.3	14	7.6
$50,000 to $99,999	21	2.9	25	4.6	17	6.5
$100,000 to $249,999	11	1.8	16	3.5	18	7.8
$250,000 and over	11	7.3	18	6.8	14	12.5
REGION						
New England	3	4.4	10	3.5	2	6.5
Central Atlantic	14	8.6	22	6.4	19	12.9
Mid-West	14	5.4	20	5.4	23	8.1
Southeast	4	4.3	5	4.1	2	11.0
Gulf Southwest	4	1.3	6	3.3	7	12.1
West Midcontinent	7	1.0	3	2.8	6	6.2
Central Northwest	5	1.5	5	4.5	3	6.1
Pacific Northwest			1	.6	1	2.6
Pacific Southwest	8	4.0	10	11.3	5	8.9
Total	59	5.8	82	6.0	68	11.4

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF ELECTRICAL APPLIANCE STORES IN 1927

[Percentages based on gross sales]

Sales volume	Total stores	Stores having returns and allowances—					
		Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 to 19.9 per cent	20 to 24.9 per cent	25 per cent and over
Less than $25,000	7	6			1		
$25,000 to $49,999	16	11	2	1	1		1
$50,000 to $99,999	25	16	5	4			
$100,000 to $249,999	16	12	3	1			
$250,000 and over	18	11	3	2	1		1
Total	82	56	13	8	3		2

RETURNS AND ALLOWANCES ON INSTALLMENT CREDIT SALES OF ELECTRICAL APPLIANCE STORES IN 1927

[Percentages based on gross sales]

Sales	Total stores	Stores having returns and allowances—					
		Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 to 19.9 per cent	20 to 24.9 per cent	25 per cent and over
Less than $25,000	5	3	2				
$25,000 to $49,999	14	6	5	1	1	1	
$50,000 to $99,999	17	10	3	2	1		1
$100,000 to $249,999	18	7	5	3	1		2
$250,000 and over	14	3	3	5		1	2
Total	68	29	18	11	3	2	5

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all stores to the outstanding balances due of the same stores when books were closed for the preceding month.

The open account collection percentage for the whole country was 39.2 per cent. December, with 44.5 per cent, had the highest average, and September, with 36.6 per cent, had the lowest.

The installment account collection percentage for the whole country was 16 per cent. May, with 18.1 per cent, had the highest average, and March, with 13.4 per cent, had the lowest.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF ELECTRICAL APPLIANCE STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $25,000	7	41.5	46.4	47.8	39.7	41.5	41.8	47.0	45.6	37.7	37.8	44.6	36.8	37.3
$25,000 to $49,999	14	37.3	34.2	38.6	30.5	32.5	37.2	40.8	42.2	40.1	38.3	47.2	33.8	34.3
$50,000 to $99,999	19	41.2	39.5	36.5	38.8	41.3	42.9	39.6	38.8	43.9	43.9	42.9	43.5	41.6
$100,000 to $249,999	13	40.3	37.4	39.3	40.2	42.5	40.6	43.3	36.8	38.0	37.4	43.8	41.4	42.7
$250,000 and over	15	38.8	36.7	38.7	38.6	39.3	39.1	39.0	36.3	38.2	35.4	40.4	40.2	46.4

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF ELECTRICAL APPLIANCE STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS—Continued

Classification	Stores	Year	January	February	March	April	May	June	July	August	September	October	November	December
REGION														
New England	6	39.2	35.5	32.8	40.0	34.7	39.8	41.8	35.2	41.3	37.2	42.7	45.1	45.1
Central Atlantic	17	45.1	44.8	42.8	40.0	47.9	44.7	46.1	38.3	45.0	40.0	51.0	46.4	51.8
Mid-West	11	35.4	31.5	31.0	30.6	34.6	35.0	39.1	35.7	36.7	37.4	40.7	33.3	37.6
Southeast	2	40.2	40.3	36.9	39.6	27.5	31.0	49.7	50.2	47.0	41.8	45.4	43.6	40.1
Gulf Southwest	7	47.7	49.4	48.7	50.7	50.3	44.1	45.5	52.1	47.6	46.5	53.2	42.7	42.5
West Midcontinent	6	48.6	45.9	47.7	50.0	46.5	46.5	51.8	56.4	52.3	41.9	50.6	48.8	45.3
Central Northwest	4	33.9	35.0	29.3	32.1	37.4	39.0	33.5	39.3	36.1	35.4	32.8	31.4	28.5
Pacific Northwest	4	44.3	42.8	38.0	52.9	38.0	45.6	46.0	40.7	39.2	40.5	53.4	46.0	47.2
Pacific Southwest	11	35.2	31.3	38.7	36.7	36.0	37.1	34.2	33.0	33.5	32.6	34.2	38.2	41.8
Total	68	39.2	37.0	38.6	38.5	39.7	39.5	39.6	36.8	38.8	36.6	41.3	40.4	44.5

PER CENT COLLECTED MONTHLY ON INSTALLMENT CREDIT ACCOUNTS OF ELECTRICAL APPLIANCE STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $25,000	2	15.5	16.4	11.0	14.7	16.8	20.1	15.9	15.2	17.3	13.1	13.0	13.9	18.5
$25,000 to $49,999	6	15.0	11.9	12.0	14.6	13.0	14.3	17.6	13.6	13.6	17.9	15.0	15.4	21.3
$50,000 to $99,999	13	17.2	16.3	13.8	17.1	16.4	18.9	18.3	16.1	16.8	17.4	19.4	18.9	17.3
$100,000 to $249,999	15	15.6	15.4	15.1	15.8	15.2	15.9	14.9	14.6	15.1	15.2	17.3	15.8	16.4
$250,000 and over	13	16.1	16.0	15.4	12.4	13.7	18.9	16.1	15.6	16.9	16.5	18.0	16.5	18.0
REGION														
New England	5	15.5	14.6	13.1	14.6	17.2	17.1	16.4	14.1	16.2	14.8	17.4	14.3	15.7
Central Atlantic	14	19.7	19.5	18.0	13.6	16.0	24.8	19.4	18.9	20.5	20.2	22.8	20.9	22.9
Mid-West	12	12.7	12.0	12.9	13.7	13.1	13.0	12.5	12.0	12.4	12.8	13.5	12.0	13.0
Southeast	2	22.6	11.2	23.0	22.2	26.4	29.2	29.4	30.5	20.8	20.2	18.2	20.7	20.2
Gulf Southwest	7	11.3	10.5	11.1	11.4	10.5	11.6	10.9	11.8	11.3	11.5	11.8	11.9	11.8
West Midcontinent	1	9.9	11.6	10.0	9.7	9.5	11.6	9.0	10.2	9.7	9.5	9.7	9.5	9.3
Central Northwest	2	12.7	11.7	10.9	14.3	13.9	11.8	15.2	10.5	14.5	13.1	12.3	13.2	11.2
Pacific Northwest														
Pacific Southwest	6	13.1	12.8	12.4	12.6	12.3	12.8	13.2	12.4	13.4	13.7	14.3	13.5	13.5
Total	49	16.0	15.8	15.2	13.4	14.2	18.1	15.9	15.3	16.4	16.2	17.8	16.4	17.6

JEWELRY STORES

KINDS AND EXTENT OF CREDIT BUSINESS

Reports from 330 jewelry stores with total net sales in 1927 of $36,743,562 indicate that 37.8 per cent of this amount was for cash, 45 per cent on open credit, and 17.2 per cent on installment credit.

Of the 330 stores, 86 sold for cash only, 140 sold for cash and open credit only, 58 sold for cash and installment credit only, and 46 sold for cash, open credit, and installment credit.

On the basis of returns from 125 stores reporting for 1925, 1926, and 1927, it was found that cash sales decreased 0.1 per cent in 1927 over 1925, open credit sales increased 7.3 per cent, and installment sales increased 4.3 per cent.

Grouping the stores selling on credit according to geographical districts, wide variation is found in the proportion of business done on open and installment credit. The New England States (13 stores reporting) did only 4.3 per cent of their total business on installments,

whereas the Pacific Northwest States (15 stores reporting) did 39.7 per cent of their total business on installments. The Central Atlantic States (43 stores reporting) did 60.8 per cent of their business on open credit, whereas the Pacific Northwest States did only 19.2 per cent on open credit.

KINDS AND EXTENT OF CREDIT BUSINESS OF 330 JEWELRY STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (86 stores)	1,876			1,876
Cash and open credit only (140 stores)	8,746	15,150		23,896
Cash and installment credit only (58 stores)	1,322		5,412	6,734
Cash, open credit, and installment credit (46 stores)	1,950	1,397	890	4,237
Total sales (330 stores)	13,894	16,547	6,302	36,743
Per cent of total sales	37.8	45.0	17.2	100.0

KINDS AND EXTENT OF CREDIT BUSINESS OF 125 JEWELRY STORES IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Installment credit	Total
1925:				
Volume of sales	5,993	7,822	3,317	17,132
Per cent of total sales	34.9	45.7	19.4	100.0
1926:				
Volume of sales	5,874	8,161	3,477	17,512
Per cent of total sales	33.5	46.6	19.9	100.0
1927:				
Volume of sales	5,991	8,396	3,459	17,846
Per cent of total sales	33.6	47.0	19.4	100.0
Per cent change in volume of sales:				
1926 over 1925	−2.0	+4.3	+4.8	+2.2
1927 over 1926	+1.9	+2.8	−0.5	+1.9
1927 over 1925	−0.1	+7.3	+4.3	+4.2

KINDS AND EXTENT OF CREDIT BUSINESS OF 244 JEWELRY STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $25,000	68	68.3	19.1	12.6
$25,000 to $49,999	47	57.9	22.4	19.7
$50,000 to $99,999	55	46.2	23.5	30.3
$100,000 to $249,999	39	33.3	33.5	33.2
$250,000 to $499,999	16	38.4	51.1	10.5
$500,000 to $999,999	13	24.3	67.4	8.3
$1,000,000 and over	6	28.2	55.0	16.8
REGION				
New England	13	38.9	56.8	4.3
Central Atlantic	43	29.8	60.8	9.4
Mid-West	71	34.0	42.9	23.1
Southeast	11	37.2	47.3	15.5
Gulf Southwest	28	30.5	53.8	15.7
West Midcontinent	13	46.1	36.2	17.7
Central Northwest	9	44.3	43.6	12.1
Pacific Northwest	15	41.1	19.2	39.7
Pacific Southwest	41	35.9	28.4	35.7
Total	244	34.5	47.4	18.1

CREDIT LOSSES

The average loss on open credit accounts of jewelry stores for the whole country was 0.5 per cent. The stores with sales less than $25,000 had the high average of 3.7 per cent, and the two groups with sales from $500,000 to $999,999 and $1,000,000 and over each had 0.1 per cent. In other words, the credit loss percentages of the largest stores averaged only one thirty-seventh as large as those of the smallest stores.

There were 61 stores with low open credit loss percentage of less than 0.2 per cent and at the other extreme were 20 stores with the high loss of 5 per cent or over.

The average loss on installment accounts of jewelry stores for the whole country was 4.4 per cent.

There were 16 stores with the low installment credit loss of less than 0.2 per cent and 23 with the high loss of 5 per cent or over.

LOSSES FROM BAD DEBTS OF 244 JEWELRY STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $25,000	58	3.7	0.8	20	3.0	1.1
$25,000 to $49,999	36	1.5	.4	22	2.5	1.1
$50,000 to $99,999	35	1.6	.5	34	4.5	2.3
$100,000 to $249,999	26	1.3	.6	20	4.8	3.1
$250,000 to $499,999	14	.4	.2	5	8.9	3.0
$500,000 to $999,999	12	.1	.1	2	1.7	.9
$1,000,000 and over	5	.1	.1	1	3.9	3.5
REGION						
New England	11	.2	.1	4	1.8	1.3
Central Atlantic	34	.2	.1	13	4.4	1.8
Mid-West	48	.3	.2	27	5.5	4.0
Southeast	11	1.0	.5	5	1.1	.2
Gulf Southwest	21	.6	.4	16	2.2	1.1
West Midcontinent	11	.6	.2	6	4.9	3.1
Central Northwest	9	.5	.2	3	.9	.3
Pacific Northwest	11	2.1	.6	10	8.4	4.2
Pacific Southwest	30	1.6	.7	20	4.1	2.9
Total	186	.5	.3	104	4.4	2.5

JEWELRY STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total stores	Size group (sales volume)						
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 to $999,999	$1,000,000 and over
Less than 0.2 per cent	61	15	11	9	7	6	10	3
0.2 to 0.29 per cent	5			1	1	3		
0.3 to 0.39 per cent	6			2	2			2
0.4 to 0.49 per cent	6		3		2		1	
0.5 to 0.59 per cent	7	2	1	1	2		1	
0.6 to 0.69 per cent	2		1		1			
0.7 to 0.79 per cent	4		1	2	1			
0.8 to 0.89 per cent	6	1	2	2		1		
0.9 to 0.99 per cent	3		1	1		1		
1 to 1.4 per cent	11	5	3	1		2		
1.5 to 1.9 per cent	13	3	2	2	5	1		
2 to 2.9 per cent	16	5	4	7				
3 to 3.9 per cent	11	4	3	3	1			
4 to 4.9 per cent	5	3	1	1				
5 per cent and over	30	20	3	3	4			
Total	186	58	36	35	26	14	12	5

JEWELRY STORES GROUPED ACCORDING TO SIZE OF INSTALLMENT CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on installment accounts to installment account sales]

Ratio of loss	Total stores	Size group (sales volume)						
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 to $999,999	$1,000,000 and over
Less than 0.2 per cent	16	6	3	3	2	1	1	
0.2 to 0.29 per cent								
0.3 to 0.39 per cent	1			1				
0.4 to 0.49 per cent	4	1	2		1			
0.5 to 0.59 per cent	1			1				
0.6 to 0.69 per cent	1			1				
0.7 to 0.79 per cent	2		1	1				
0.8 to 0.89 per cent	1			1				
0.9 to 0.99 per cent	1			1				
1 to 1.4 per cent	11	1	4	4	2			
1.5 to 1.9 per cent	6	2	2	1	1			
2 to 2.9 per cent	18	5	5	4	3		1	
3 to 3.9 per cent	9	1	2	2	2	1		1
4 to 4.9 per cent	10		2	4	3	1		
5 per cent and over	23	4	1	10	6	2		
Total	104	20	22	34	20	5	2	1

TERMS ON INSTALLMENT SALES

The table on terms shows a great diversity among stores in regard to down payments and life of contracts. The set of terms found most frequently was a down payment of 10 per cent and life of contract 7 to 12 months; 16 stores reported using those terms. The set of terms taking second place for frequency was a down payment of 10 per cent or less to 25 per cent and the life of contract 7 to 12 months; 14 stores reported using those terms.

Three stores had a maximum time limit of 18 months as the period over which the balance due was to be paid, and one store had a maximum of 24 months.

INSTALLMENT CREDIT TERMS OF JEWELRY STORES IN 1927

Down payment required	Life of contract in months	Stores	Ratio bad debts to installment credit sales	Ratio bad debts to total sales
			Per cent	*Per cent*
10 per cent or less	6 or less	11	3.2	1.9
	6 or less to 12	4	5.1	3.4
	7 to 12	16	4.7	3.8
	13 to 18	2	4.4	3.9
10 or less to 25 per cent	6 or less	4	1.1	.4
	6 or less to 12	1	3.8	.9
	6 or less to 18	1		
	6 or less to 24	1	2.6	.5
	7 to 12	14	5.9	2.7
10 or less to 33⅓ per cent	6 or less to 18	1	.4	.2
	7 to 12	3	4.9	4.6
11 to 24 per cent	6 or less	9	2.5	.9
	6 or less to 12	4	1.8	.7
	7 to 12	11	4.3	1.8
11 to 33⅓ per cent	6 or less	2	2.7	.7
11 to more than 33⅓ per cent	do	1	2.8	1.1
25 per cent	do	7	5.1	.4
	6 or less to 12	3	1.8	1.3
25 to 33⅓ per cent	6 or less	1		
25 to more than 33⅓ per cent	do	1	.4	.1
30 to 33⅓ per cent	do	1	2.9	.1
More than 33⅓ per cent	7 to 12	1	6.5	.8

USE OF CREDIT BUREAUS

Of the 233 stores reporting on the use of credit bureaus, 167, or 71.7 per cent, made use of credit bureaus as compared with 66, or 28.3 per cent, which did not.

Of the 233 stores which reported on the subject of making credit investigations of their own, 56 stores, or 24 per cent, relied wholly on the credit bureau for information, 111, or 47.7 per cent, supplemented the use of the credit bureau with investigations of their own; and 66, or 28.3 per cent, did not use credit bureaus.

The average loss on open credit sales of those stores which relied wholly on credit bureaus was 0.3 per cent, of those which used credit bureaus and supplemented their use with investigations of their own 0.5 per cent, and of those which did not use credit bureaus 0.6 per cent.

The average loss on installment credit sales of the first group was 2.3 per cent, of the second 4.4 per cent, and of the third 2. 3 per cent.

SOURCE OF CREDIT INFORMATION OF JEWELRY STORES IN 1927

Classification	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Stores using credit bureaus and making no investigations of their own (56 stores, 24 per cent):			
Open credit	48	0.3	0.2
Installment credit	17	2.3	.8
Stores using credit bureaus and also making investigations of their own (111 stores, 47.7 per cent):			
Open credit	71	.5	.3
Installment credit	68	4.4	2.7
Stores not making use of credit bureaus (66 stores, 28.3 per cent):			
Open credit	56	.6	.3
Installment credit	17	2.3	.8

RETURNS AND ALLOWANCES

The proportion of returns and allowances on cash, open credit, and installment sales, respectively, were 2.2 per cent of gross cash sales, 8.3 per cent of gross open credit sales, and 11.7 per cent of gross installment credit sales. Repossessions on installment sales are not included in returns and allowances.

There were 25 stores which reported having less than 5 per cent returns and allowances on their open credit sales. At the other extreme were three stores each with 20 per cent or over, one of which had over 25 per cent.

There were 17 stores which reported having less than 5 per cent returns and allowances on their installment sales. At the other extreme were 5 stores each with the very high ratio of 20 per cent or more, one of which had over 25 per cent.

RETURNS AND ALLOWANCES OF JEWELRY STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Cash		Open credit		Installment credit	
	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances
SALES VOLUME						
Less than $25,000	13	4.5	7	11.4	4	1.8
$25,000 to $49,999	14	1.5	11	1.8	8	5.8
$50,000 to $99,999	14	1.1	13	6.8	12	10.6
$100,000 to $249,999	10	1.6	10	6.2	10	14.4
$250,000 to $499,999	4	1.1	8	10.6	1	5.2
$500,000 to $999,999	4	4.0	6	5.7	2	9.2
$1,000,000 and over	2	2.3	5	9.5		
REGION						
New England	3	2.4	6	10.6	2	4.4
Central Atlantic	8	.5	10	5.3	3	8.8
Mid-West	20	1.2	15	8.2	12	12.3
Southeast	3	8.2	4	9.2	3	9.0
Gulf Southwest	10	2.1	10	7.6	9	13.0
West Midcontinent	4	1.3	4	6.7	3	10.2
Central Northwest	1	6.2	2	12.7		
Pacific Northwest	3	.2	3	1.7	2	16.1
Pacific Southwest	9	1.9	6	5.0	3	14.8
Total	61	2.2	60	8.3	37	11.7

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF JEWELRY STORES IN 1927

[Percentages based on gross sales]

Sales volume	Total stores	Stores having returns and allowances—					
		Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 to 19.9 per cent	20 to 24.9 per cent	25 per cent and over
Less than $25,000	7	3	2		1		1
$25,000 to $49,999	11	7	3		1		
$50,000 to $99,999	13	6	5	2			
$100,000 to $249,999	10	5	3	2			
$250,000 to $499,999	8	2	2	3		1	
$500,000 to $999,999	6	1	4		1		
$1,000,000 and over	5	1	3			1	
Total	60	25	22	7	3	2	1

RETURNS AND ALLOWANCES ON INSTALLMENT CREDIT SALES OF JEWELRY STORES IN 1927

[Percentages based on gross sales]

Sales volume	Total stores	Stores having returns and allowances—					
		Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 to 19.9 per cent	20 to 24.9 per cent	25 per cent and over
Less than $25,000	4	4					
$25,000 to $49,999	8	5	2	1			
$50,000 to $99,999	12	6	3			2	1
$100,000 to $249,999	10	2		2	4	2	
$250,000 to $449,999	1		1				
$500,000 to $999,999	2		2				
$1,000,000 and over							
Total	37	17	8	3	4	4	1

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all stores to the outstanding balances due of the same stores when books were closed for the preceding month.

The open account collection percentage for the whole country was 39.1 per cent. The larger stores had much higher collection percentages than the smaller ones. The range was from the very low figure of 19.4 per cent for the smallest stores, those with annual sales less than $25,000, to the very high figure of 46.2 per cent for the stores with annual sales of $1,000,000 or over.

December, with 53 per cent, had the highest average, and April, with 32 per cent, had the lowest average.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF JEWELRY STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $25,000	5	19.4	19.2	20.8	17.9	18.6	19.0	20.0	20.0	17.2	13.9	15.7	20.8	28.8
$25,000 to $49,999	11	32.0	37.8	28.8	27.2	30.5	30.9	34.7	28.6	26.2	28.5	32.6	29.1	46.6
$50,000 to $99,999	16	28.1	30.7	27.6	28.5	26.7	28.0	26.4	24.2	26.9	21.8	25.9	26.9	43.9
$100,000 to $249,999	9	26.0	30.8	27.2	21.1	23.9	22.9	28.7	22.0	26.5	22.0	23.2	25.2	35.8
$250,000 to $499,999	10	32.3	45.4	27.9	27.2	27.1	27.6	30.0	30.2	29.7	27.4	32.3	30.7	44.9
$500,000 to $999,999	9	41.8	51.3	40.3	36.0	35.5	40.8	36.5	39.3	38.0	38.0	41.3	47.0	51.0
$1,000,000 and over	5	46.2	60.0	39.3	38.3	34.5	42.7	37.3	50.3	36.9	41.2	47.7	49.8	66.0
REGION														
New England	4	51.7	60.0	45.3	45.1	43.2	51.3	51.2	53.2	48.8	48.0	48.9	55.3	60.8
Central Atlantic	13	34.8	42.4	35.0	27.9	29.1	35.3	33.2	35.8	29.0	31.5	35.6	37.4	38.0
Mid-West	17	35.2	50.3	30.0	29.3	26.5	30.8	25.3	37.6	27.8	29.3	35.5	36.7	56.7
Southeast	3	23.1	17.1	24.7	23.5	24.7	22.1	29.3	18.8	20.0	18.0	18.3	28.7	34.7
Gulf Southwest	13	38.0	48.8	36.2	35.4	32.2	35.5	32.9	35.1	33.5	27.1	37.2	39.8	60.3
West Midcontinent	4	48.7	55.0	34.3	38.9	39.6	49.1	62.2	45.7	43.3	49.0	51.7	52.8	68.5
Central Northwest	5	35.9	44.1	37.5	24.6	33.6	31.5	43.5	30.2	38.4	30.1	30.9	36.5	43.3
Pacific Northwest	1	25.0	32.2	22.6	17.8	20.2	14.4	20.7	30.0	31.3	21.0	26.7	18.5	36.2
Pacific Southwest	5	41.5	54.2	41.3	35.1	38.3	37.3	33.0	28.2	42.5	48.1	43.2	40.5	47.3
Total	65	39.1	50.4	35.8	33.2	32.0	36.4	34.1	38.5	34.0	34.1	38.8	41.3	53.0

OPTICAL GOODS STORES

KINDS AND EXTENT OF CREDIT BUSINESS

Reports from 86 optical goods stores with total net sales in 1927 of $6,940,317 indicate that 59.5 per cent of this amount was for cash, 38.8 per cent on open credit, and 1.7 per cent on installment credit.

Of the 86 stores, 24 sold for cash only, 57 sold for cash and open credit only, and 5 sold for cash, open credit, and installment credit.

On the basis of returns from 38 stores reporting for 1925, 1926, and 1927, it was found that cash sales increased 2 per cent in 1927 over 1925, open credit sales increased 12.5 per cent, and installment sales decreased 10.7 per cent.

The larger stores did a much greater proportion of their business on open credit than the smaller ones. The range was from 19.6 per cent on open credit for the stores with sales from $25,000 to $49,999 to 47 per cent on open credit for the stores with sales of $250,000 and over.

KINDS AND EXTENT OF CREDIT BUSINESS OF 86 OPTICAL GOODS STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (24 stores)	447			447
Cash and open credit only (57 stores)	3,386	1,719		5,105
Cash, open credit, and installment credit (5 stores)	296	977	115	1,388
Total sales (86 stores)	4,129	2,696	115	6,940
Per cent of total sales	59.5	38.8	1.7	100.0

KINDS AND EXTENT OF CREDIT BUSINESS OF 38 OPTICAL GOODS STORES IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Installment credit	Total
1925:				
Volume of sales	2,690	1,834	122	4,646
Per cent of total sales	57.9	39.5	2.6	100.0
1926:				
Volume of sales	2,705	1,957	146	4,808
Per cent of total sales	56.3	40.7	3.0	100.0
1927:				
Volume of sales	2,745	2,064	109	4,918
Per cent of total sales	55.8	42.0	2.2	100.0
Per cent change in volume of sales:				
1926 over 1925	+0.5	+6.7	+19.6	+3.4
1927 over 1926	+1.4	+5.4	−25.4	+2.2
1927 over 1925	+2.0	+12.5	−10.7	+5.8

KINDS AND EXTENT OF CREDIT BUSINESS OF 62 OPTICAL GOODS STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $25,000	24	78.2	21.7	0.1
$25,000 to $49,999	13	80.4	19.6	
$50,000 to $99,999	12	69.6	30.3	.1
$100,000 to $249,999	6	55.6	44.4	
$250,000 and over	7	50.2	47.0	2.8
REGION				
New England	9	63.2	36.8	
Central Atlantic	8	73.3	26.5	.2
Mid-West	17	63.6	36.3	.1
Southeast	2	78.1	21.9	
Gulf Southwest	4	43.6	56.0	.4
West Midcontinent	2	72.7	27.3	
Central Northwest	1	13.9	83.3	2.8
Pacific Northwest	2	12.3	72.1	15.6
Pacific Southwest	17	60.8	39.2	
Total	62	56.8	41.5	1.7

CREDIT LOSSES

The average loss on open credit accounts for optical goods stores was 0.6 per cent. The average loss on installment credit accounts was 0.9 per cent.

Open credit losses varied inversely with the size of stores; that is, the larger the stores the smaller the losses. The range was from an average open credit loss of 4.8 per cent for the smallest stores, those with sales less than $25,000, to 0.2 per cent for the largest stores, those with sales of $250,000 and over.

The data show great differences among individual establishments in regard to their bad debt losses. There were nine stores with losses on open credit sales less than 0.2 per cent. At the other extreme were 12 stores with losses on open credit sales of 5 per cent or more. The latter stores thus had open credit losses at least 25 times as great as the former ones.

LOSSES FROM BAD DEBTS OF 62 OPTICAL GOODS STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $25,000	24	4.8	1.0	1		
$25,000 to $49,999	14	2.5	.5			
$50,000 to $99,999	11	1.2	.3	1		
$100,000 to $249,999	6	.8	.3			
$250,000 and over	7	.2	.1	3	0.9	0.08
REGION						
New England	9	.4	.1			
Central Atlantic	8	1.3	.3	1		
Mid-West	17	.9	.3	1		
Southeast	2	.6	.1			
Gulf Southwest	4	.2	.1	1	1.3	.01
West Midcontinent	2	1.0	.2			
Central Northwest	1	.1	.1	1	10.0	.2
Pacific Northwest	2	.4	.3	1		
Pacific Southwest	17	1.3	.5			
Total	62	.6	.2	5	.9	.07

OPTICAL GOODS STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total stores	Size group (sales volume)				
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
Less than 0.2 per cent	9	6	1			2
0.2 to 0.29 per cent	3			1		2
0.3 to 0.39 per cent	4		1		1	2
0.4 to 0.49 per cent	2		1			1
0.5 to 0.59 per cent	1				1	
0.6 to 0.69 per cent	2	1		1		
0.7 to 0.79 per cent	3			3		
0.8 to 0.89 per cent	2			1	1	
0.9 to 0.99 per cent	1				1	
1 to 1.4 per cent	4	1		1	2	
1.5 to 1.9 per cent	6	3	1	2		
2 to 2.9 per cent	7	1	4	2		
3 to 3.9 per cent	1	1				
4 to 4.9 per cent	5	3	2			
5 per cent and over	12	8	4			
Total	62	24	14	11	6	7

USE OF CREDIT BUREAUS

Of the 58 optical stores reporting on the use of credit bureaus, 39 of them, or 67.2 per cent, made use of credit bureaus as compared with 19, or 32.8 per cent, which did not.

Of the 58 stores which reported on the subject of making credit investigations of their own, 18 stores, or 31 per cent, relied wholly on the credit bureaus for information; 21, or 36.2 per cent, supplemented the use of credit bureaus with investigations of their own; and 19, or 32.8 per cent, made no use of credit bureaus.

The average loss on open credit sales of those stores which relied wholly on the credit bureaus was 0.7 per cent, of those which used credit bureaus and supplemented their use with investigations of their own 0.4 per cent, and of those which did not use credit bureaus 2.4 per cent.

SOURCE OF CREDIT INFORMATION OF OPTICAL GOODS STORES IN 1927

Classification	Stores	Ratio of bad debts to—	
		Credit sales	Total cash and credit sales
		Per cent	*Per cent*
Stores using credit bureaus and making no investigations of their own (18 stores, 31 per cent):	18	0.7	0.3
Open credit	2	.9	.01
Installment credit			
Stores using credit bureaus and also making investigations of their own (21 stores, 36.2 per cent):	21	.4	.1
Open credit	2	.9	.1
Installment credit			
Stores not making use of credit bureaus (19 stores, 32.8 per cent):	19	2.4	.6
Open credit	1		
Installment credit			

CHAIN STORES

Of the total of 62 optical goods stores doing credit business, 4 of them, or 6.5 per cent, were chain stores and 58, or 93.5 per cent, were not. The individual establishment decided the question whether it was a chain store.

The average open credit loss of the chain stores (4 stores reporting) was 0.3 per cent and the average installment credit loss (2 stores reporting) was 0.9 per cent.

The average open credit loss of all other than chain stores (58 stores reporting) was 0.8 per cent and the average installment credit loss (3 stores reporting) was 0.9 per cent.

LOSSES FROM BAD DEBTS OF CHAIN OPTICAL GOODS STORES COMPARED WITH THOSE OF OTHER OPTICAL GOODS STORES IN 1927

Type	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Chain optical goods stores (4 stores, 6.5 per cent):	4	0.3	0.1
Open credit	2	.9	.1
Installment credit			
All others (58 stores, 93.5 per cent):	58	.8	.3
Open credit	3	.9	.01
Installment credit			

RETURNS AND ALLOWANCES

The percentage of returns and allowances on cash and open credit sales, respectively, were 0.7 per cent of gross cash sales and 14.8 per cent of gross open credit sales.

RETURNS AND ALLOWANCES OF OPTICAL GOODS STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Cash		Open credit	
	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances
SALES VOLUME				
Less than $25,000	9	2.0	3	1.7
$25,000 to $49, 999			1	.8
$50,000 to $99,999	9	.4	7	2.3
$100,000 to $249,999	1	.1	2	5.2
$250,000 and over	3	1.0	4	17.2
REGION				
New England	1	15.6	1	5.6
Central Atlantic	5	.3	2	2.5
Mid-West	3	.8	2	2.4
Southeast				
Gulf Southwest	2	.3	3	10.9
West Midcontinent	1	.6	1	2.5
Central Northwest	1	2.0	1	1.6
Pacific Northwest	2	1.8	1	28.9
Pacific Southwest	7	.3	6	1.5
Total	22	.7	17	14.8

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF OPTICAL GOODS STORES IN 1927

[Percentages based on gross sales]

Sales volume	Total stores	Stores having returns and allowances—					
		Less than 2 per cent	2 to 3.9 per cent	4 to 5.9 per cent	6 to 7.9 per cent	8 to 9.9 per cent	10 per cent and over
Less than $25,000	3	1	2				
$25,000 to $49,999	1	1					
$50,000 to $99,999	7	1	6				
$100,000 to $249,999	2	1		1			
$250,000 and over	4	1				1	2
Total	17	5	8	1		1	2

○

Volume 3

U. S. DEPARTMENT OF COMMERCE
R. P. LAMONT, Secretary
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
WILLIAM L. COOPER, Director

NATIONAL RETAIL CREDIT SURVEY

PART III

INCLUDING SUMMARY TABLES

DOMESTIC COMMERCE SERIES—No. 36

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON: 1930

For sale by the Superintendent of Documents, Washington, D. C. - - - Price 10 cents

CONTENTS

	Page
Foreword	IV
Introduction	1
Hardware stores	3
Coal and wood dealers	9
Lumber and building-material dealers	15
Coal, wood, lumber, and building-material dealers	21
Paint, oil, and varnish stores	26
Plumbing and heating fixtures and supply stores	32
Stove and range stores	37
House-furnishing stores	40
Musical-instrument stores	42
Hay, grain, and feed dealers	48
Drug stores	51
Miscellaneous retail establishments	55
Summary: All stores	62

FOREWORD

One of the outstanding problems confronting the retail business man to-day, and one on which there is a serious lack of information, is that of credit extension. To assist in solving this problem, the Department of Commerce, at the request of the National Retail Credit Association, has made a nation-wide survey of retail credit. The report of the survey is divided into three parts, of which this is the third. Part III includes data for 706 hardware stores; 680 coal and wood dealers; 640 lumber and building-material dealers; 207 coal, wood, lumber, and building-material dealers; 203 paint, oil, and varnish stores; 731 plumbing and heating fixtures and supply stores; 22 stove and range stores; 49 house-furnishing stores; 132 musical-instrument stores; 112 hay, grain, and feed stores; 430 drug stores; and 8,136 miscellaneous retail establishments. It also contains summary tables of all establishments covered by the survey.

The purpose of this report is to set forth without recommendation the experience of a large number of establishments on such subjects as credit losses, credit terms, the use of credit bureaus, collections, etc., which will serve as a chart or guide for the individual business man in carrying on his business. The individual merchant, knowing his own experience in these matters, can compare it with that of others and govern himself accordingly.

One of the striking facts brought out by this survey is the wide variation in certain credit practices and methods existing among the same kind of stores. There were numerous stores with credit losses twenty-five times as great as those of others in the same classification; many with returned merchandise ratios ten times as great as those of others; and many with collection percentages only one-half as high as those of others. These wide variations indicate great possibilities for eliminating waste and increasing efficiency in distribution.

Information of the type disclosed by this credit survey, it is believed, will be of substantial importance in the stabilization of business. It not only should be instrumental in assisting the merchant to carry on his credit business more efficiently, but also will enable him to pass the resulting gains to the consumer in the form of lower prices.

The preliminary plans for this survey were made by Dr. R. J. McFall prior to his transfer to the Bureau of Census as editor of the Survey of Current Business. The conduct of the survey and the preparation of this report are the work of Dr. W. C. Plummer, who was loaned to the Domestic Commerce Division of the Bureau of Foreign and Domestic Commerce by the University of Pennsylvania for this purpose.

WILLIAM L. COOPER, *Director,*
Bureau of Foreign and Domestic Commerce.

APRIL, 1930.

NATIONAL RETAIL CREDIT SURVEY—PART III

INTRODUCTION

This survey is based on information derived from questionnaires sent to retail merchants throughout the country. Names and addresses were supplied by the more than 1,000 local bureaus of the National Retail Credit Association. Each bureau was asked to supply a list of names totaling four times its membership and including all the principal lines of retail trade. In communities of over 5,000 population where there were no local bureaus of the association, the local chambers of commerce and merchants' associations were asked to furnish names and addresses. All of the organizations accorded excellent cooperation.

The merchants who received the questionnaires were told, on account of the confidential nature of the information requested, that the department wanted the facts only in order to consolidate them with those of other concerns, thereby arriving at information covering the general credit operations of each line of retail business in each part of the country; also that the facts regarding any individual business would not be subject to the use of any other Government department, credit bureau, or other agency, nor could any other report made by them be checked against this report.

In addition to the local bureaus of the National Retail Credit Association, the State and local leaders of the association appointed to assist in the survey, chambers of commerce, local merchants' associations, the National Retailers' Council, the National Association of Finance Companies, and the National Retail Furniture Association, the following individuals have been identified with the survey and have contributed to its success: James R. Hewitt, Justin H. Edgerton, Leopold Meyer, David J. Woodlock, Guy H. Hulse, and R. Preston Shealey, all of the National Retail Credit Association; and Dr. Frank M. Surface, Assistant Director of the Bureau, H. C. Dunn, chief of the Domestic Commerce Division, H. T. LaCrosse, Myrtle H. Byers, and R. W. Dawson, all of the Bureau of Foreign and Domestic Commerce.

The results of the survey are published in three parts, the first and second each containing data for 8 and the third for 11 lines of retail trade. The third part also contains summary material of all stores covered by the survey. The present report is Part III.

The information contained herein is set forth by kinds of stores and by size and geographical location under each kind. Weighted averages are worked out for the various groups. Such averages are significant but do not give as much information as is sometimes desired; consequently, tables are presented showing the distribution of individual stores in each percentage group; these are called frequency tables. The aim has been to present the data in such manner that the

individual store can compare its own experience with that of similar establishments.

All sales figures in this report are for net sales and all percentages are based on net sales figures, except returned merchandise percentages, which are based on gross sales. Where no relationships have been shown in the various tables, it indicates that insufficient number of reports were received which furnished this type of information to make possible general deductions.

The various geographical districts according to which the information of this report is grouped comprise States as follows:

New England.—Maine, New Hampshire, Vermont, Massachusetts, Connecticut, and Rhode Island.
Central Atlantic.—New York, Pennsylvania, New Jersey, Maryland, Delaware, Virginia, West Virginia, and the District of Columbia.
Midwest.—Iowa, Wisconsin, Michigan, Illinois, Indiana, Ohio, and Kentucky.
Southeast.—Tennessee, North Carolina, South Carolina, Mississippi, Alabama, Georgia, and Florida.
Gulf Southwest.—Missouri, Oklahoma, Arkansas, Texas, and Louisiana.
West Midcontinent.—Wyoming, Colorado, Nebraska, and Kansas.
Central Northwest.—Montana, North Dakota, South Dakota, and Minnesota.
Pacific Northwest. —Washington, Oregon, and Idaho.
Pacific Southwest.—California, Utah, Arizona, Nevada, and New Mexico.

HARDWARE STORES

KINDS AND EXTENT OF CREDIT BUSINESS

Reports from 706 hardware stores with total net sales in 1927 of $61,205,774 indicate that 35.2 per cent of this amount was for cash, 61.1 per cent on open credit, and 3.7 per cent on installment credit.

Of the total of 706 stores, 172 sold for cash only, 385 sold for cash and open credit only, 1 sold for cash and installment credit only, and 148 sold for cash, open credit, and installment credit.

On the basis of reports from 227 stores reporting for 1925, 1926, and 1927, it was found that cash sales decreased 5.9 per cent in 1927 below those of 1925, open credit sales decreased 1.4 per cent, and installment credit sales decreased 1.5 per cent.

The smaller dealers did a much larger proportion of their business on a cash basis than the larger ones. The range was from 61.3 per cent on a cash basis for the smallest stores, those with annual net sales less than $25,000, to 20.5 per cent on a cash basis for the largest stores, those with annual net sales of $250,000 and over.

The Gulf Southwest States, represented by 35 stores, did 43.7 per cent of total business for cash, which was the highest average of all the geographical districts; the Southeast States, 28 stores reporting, did 24.2 per cent of total business for cash, which was the lowest.

KINDS AND EXTENT OF CREDIT BUSINESS OF 706 HARDWARE STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (172 stores)	3,028			3,028
Cash and open credit only (385 stores)	12,368	25,141		37,509
Cash and installment credit only (1 store)	10		3	13
Cash, open credit, and installment credit (148 stores)	6,176	12,239	2,240	20,655
Total sales (706 stores)	21,582	37,380	2,243	61,205
Per cent of total sales	35.2	61.1	3.7	100

KINDS AND EXTENT OF CREDIT BUSINESS OF 227 HARDWARE STORES IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Installment credit	Total
1925:				
Volume of sales	8,586	17,649	680	26,915
Per cent of total sales	31.9	65.6	2.5	100
1926:				
Volume of sales	8,369	18,093	836	27,298
Per cent of total sales	30.7	66.3	3.0	100
1927:				
Volume of sales	8,087	17,419	670	26,176
Per cent of total sales	30.9	66.5	2.6	100
Per cent change in volume of sales:				
1926 over 1925	−2.6	+2.5	+22.9	+1.4
1927 over 1926	−3.4	−3.8	−19.9	−4.2
1927 over 1925	−5.9	−1.4	−1.5	−2.8

KINDS AND EXTENT OF CREDIT BUSINESS OF 534 HARDWARE STORES DOING CREDIT BUSINESS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $25,000	92	61.3	36.3	2.4
$25,000 to $49,999	146	50.1	47.3	2.6
$50,000 to $99,999	160	43.7	52.1	4.2
$100,000 to $249,999	87	34.6	58.5	6.9
$250,000 and over	49	20.5	77.1	2.4
REGION				
New England	36	29.4	70.5	.1
Central Atlantic	88	31.1	65.9	3.0
Midwest	187	31.4	64.6	4.0
Southeast	28	24.2	75.2	.6
Gulf Southwest	35	43.7	50.8	5.5
West Midcontinent	42	42.4	48.5	9.1
Central Northwest	34	33.5	55.1	11.4
Pacific Northwest	23	27.1	70.2	2.7
Pacific Southwest	61	34.7	62.3	3.0
Total	534	32.0	64.2	3.8

CREDIT LOSSES

The average loss from bad debts on open credit sales of 533 hardware stores was 1 per cent; the average loss on installment credit sales was 0.9 per cent.

Open credit losses varied inversely with the size of stores; that is, the larger the stores the smaller were the losses proportionately. The range was from an average of 2 per cent for the smallest stores, those with sales less than $25,000, to 0.7 per cent for the largest stores, those with sales of $250,000 and over.

The data show great differences among individual establishments in regard to their bad-debt losses. There were 89 stores with losses on open credit sales less than 0.2 per cent. At the other extreme were 32 stores with losses on open credit sales of 5 per cent or more. The latter stores thus had open credit losses at least 25 times as great proportionately as the former ones.

There were 82 stores with losses on installment sales of less than 0.2 per cent and 11 with 5 per cent or more.

LOSSES FROM BAD DEBTS OF 534 HARDWARE STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $25,000	91	2.0	0.7	17	1.1	0.1
$25,000 to $49,999	146	1.5	.7	35	2.2	.2
$50,000 to $99,999	160	1.4	.7	52	1.0	.1
$100,000 to $249,999	87	1.2	.7	30	.6	.1
$250,000 and over	49	.7	.5	15	.9	.06
REGION						
New England	36	1.0	.7	1	1.2	.08
Central Atlantic	88	1.2	.8	13	1.5	.1
Midwest	186	.7	.4	55	.8	.07
Southeast	28	1.3	1.0	6	1.7	.06
Gulf Southwest	35	.9	.4	9	.7	.1
West Midcontinent	42	1.3	.6	16	.8	.1
Central Northwest	34	.8	.4	21	.7	.1
Pacific Northwest	23	.8	.5	10	.8	.04
Pacific Southwest	61	1.2	.7	18	.6	.04
Total	533	1.0	.6	149	.9	.1

HARDWARE STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total stores	Size group (sales volume)				
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
Less than 0.2 per cent	89	21	30	20	10	8
0.2 to 0.29 per cent	28	1	4	13	6	4
0.3 to 0.39 per cent	27	3	4	8	5	7
0.4 to 0.49 per cent	30	4	7	8	7	4
0.5 to 0.59 per cent	23	2	6	8	4	3
0.6 to 0.69 per cent	24	4	6	8	3	3
0.7 to 0.79 per cent	24	2	5	7	7	3
0.8 to 0.89 per cent	24	1	8	7	6	2
0.9 to 0.99 per cent	21	1	3	5	9	3
1 to 1.4 per cent	72	11	25	21	9	6
1.5 to 1.9 per cent	41	6	13	14	7	1
2 to 2.9 per cent	49	15	10	14	5	5
3 to 3.9 per cent	32	8	8	10	6	----------
4 to 4.9 per cent	17	3	4	8	2	----------
5 per cent and over	32	9	13	9	1	----------
Total	533	91	146	160	87	49

108701—30——2

HARDWARE STORES GROUPED ACCORDING TO SIZE OF INSTALLMENT CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on installment accounts to installment account sales]

Ratio of loss	Total stores	Size group (sales volume)				
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
Less than 0.2 per cent	82	12	24	30	11	5
0.2 to 0.29 per cent	2				1	1
0.3 to 0.39 per cent	2				1	1
0.4 to 0.49 per cent	3				2	1
0.5 to 0.59 per cent	3			1	2	
0.6 to 0.69 per cent	4			3	1	
0.7 to 0.79 per cent	6		2	2	1	1
0.8 to 0.89 per cent	4	1	1		2	
0.9 to 0.99 per cent						
1 to 1.4 per cent	10	1	1	4	2	2
1 5 to 1.9 per cent	8		2	1	3	2
2 to 2.9 per cent	7	1		6		
3 to 3.9 per cent	6		4	2		
4 to 4.9 per cent	1			1		
5 per cent and over	11	2	1	2	4	2
Total	149	17	35	52	30	15

TERMS ON INSTALLMENT SALES

The table on terms shows diversity among hardware stores in regard to terms on installment sales. The range in deposit required was from 10 per cent or less to 33⅓ per cent. The range in life of contracts was from 6 months or less to 18 months.

TERMS AND RATIO OF LOSS ON INSTALLMENT SALES OF 24 HARDWARE STORES IN 1927

Deposit required	Life of contract, in months	Stores	Installment credit	
			Ratio bad debts to credit sales	Ratio bad debts to total sales
			Per cent	*Per cent*
10 per cent or less	6 or less	2	0.6	0.1
	7 to 12	3	.06	.005
10 per cent or less to 25 per cent	6 or less	1	1.1	.4
	7 to 12	4	1.6	.1
	7 to 18	1	.3	.1
11 to 24 per cent	7 to 12	2		
	13 to 18	1	.8	.4
25 per cent	6 or less	3	1.7	.2
	7 to 12	2	1.1	.2
25 to 33⅓ per cent	do	1		
30 to 33⅓ per cent	6 or less	2		
	7 to 12	2	.4	.1

USE OF CREDIT BUREAUS

Out of a total of 521 hardware stores reporting on the use of credit bureaus, 381 of them, or 73.1 per cent, made use of credit bureaus as compared with 140, or 26.9 per cent, which did not.

Of the 521 stores which reported on the subject of making credit investigations of their own, 95 stores, or 18.2 per cent, relied wholly on the credit bureaus for information; 286, or 54.9 per cent, supplemented the use of credit bureaus with investigations of their own; and 140, or 26.9 per cent, made no use of credit bureaus.

The average loss on open credit sales of those stores which relied wholly on the credit bureaus was 1.1 per cent, of those which used credit bureaus and supplemented their use with investigations of their own 0.8 per cent, and of those which did not use credit bureaus 2 per cent.

The average loss on installment sales of the first group was 1 per cent, of the second 0.8 per cent, and of the third 1.4 per cent.

SOURCE OF CREDIT INFORMATION OF HARDWARE STORES IN 1927

Classification	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
Stores using credit bureaus and making no investigations of their own (95 stores, 18.2 per cent):		*Per cent*	*Per cent*
Open credit	95	1.1	0.7
Installment credit	30	1.0	.07
Stores using credit bureaus and also making investigations of their own (286 stores, 54.9 per cent):			
Open credit	286	.8	.5
Installment credit	93	.8	.1
Stores not making use of credit bureaus (140 stores, 26.9 per cent):			
Open credit	139	2.0	1.0
Installment credit	25	1.4	.1

CHAIN STORES

Out of a total of 534 hardware stores doing credit business, 6 of them, or 1.1 per cent, were chain stores and 528, or 98.9 per cent, were not. The individual establishment decided the question whether it was a chain store.

The average open credit loss of the chain stores was 1.5 per cent and of other stores 1 per cent.

LOSSES FROM BAD DEBTS OF CHAIN HARDWARE STORES COMPARED WITH THOSE OF OTHER HARDWARE STORES IN 1927

Type	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
Chain hardware stores (6 stores, 1.1 per cent):		*Per cent*	*Per cent*
Open credit	6	1.5	1.0
Installment credit	1	.7	.06
All others (528 stores, 98.9 per cent):			
Open credit	527	1.0	.6
Installment credit	148	.9	.1

RETURNS AND ALLOWANCES

The percentages of returns and allowances on cash, open credit, and installment sales, respectively, were 1.9 per cent of gross cash sales, 3.3 per cent of gross open credit sales, and 3.5 per cent of gross installment sales.

There were 72 stores with individual percentages on open credit sales of less than 2 per cent; at the other extreme were 4 stores with 10 per cent or more.

RETURNS AND ALLOWANCES OF HARDWARE STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Cash		Open credit		Installment credit	
	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances
SALES VOLUME						
Less than $25,000	20	2.4	21	5.0	3	13.5
$25,000 to $49,999	32	1.5	40	2.3	2	4.7
$50,000 to $99,999	54	1.4	73	3.6	10	3.4
$100,000 to $249,999	21	2.2	34	2.5	6	3.1
$250,000 and over	17	2.2	29	3.6	1	3.5
REGION						
New England	9	3.1	18	3.4		
Central Atlantic	18	1.8	34	2.9	2	4.1
Midwest	55	1.6	68	3.4	11	4.1
Southeast	5	2.1	10	2.7	1	1.0
Gulf Southwest	11	1.4	13	3.3	3	3.3
West Midcontinent	15	2.7	15	3.5	2	4.7
Central Northwest	5	2.4	9	4.9	2	1.9
Pacific Northwest	6	1.5	9	1.9		
Pacific Southwest	20	2.1	21	5.0	1	4.7
Total	144	1.9	197	3.3	22	3.5

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF HARDWARE STORES IN 1927

[Percentages based on gross sales]

Sales volume	Stores having returns and allowances—					
	Less than 2 per cent	2 to 3.9 per cent	4 to 5.9 per cent	6 to 7.9 per cent	8 to 9.9 per cent	10 per cent and over
Less than $25,000	10	4	2	2	1	2
$25,000 to $49,999	19	17	3	1		
$50,000 to $99,999	21	28	15	5	2	2
$100,000 to $249,999	15	13	4	1	1	
$250,000 and over	7	11	7	4		
Total	72	73	31	13	4	4

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all stores to the outstanding balances due of the same stores when books were closed for the preceding months.

The open account collection percentage for the whole country was 37.9 per cent. June, with 40.7 per cent, had the highest average, and February, with 34.4 per cent, the lowest. The Pacific Northwest States, represented by 11 stores, had the highest average, which was 48.5 per cent, and the Southeast States, represented by 13 stores, had the lowest average, which was 29 per cent.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF HARDWARE STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $25,000	8	34.5	32.3	28.9	30.9	38.8	34.7	40.9	37.2	37.5	33.3	41.5	31.7	26.2
$25,000 to $49,999	49	33.4	31.0	38.6	33.1	35.2	34.2	35.1	33.7	32.2	31.9	33.8	29.9	33.6
$50,000 to $99,999	59	33.7	33.2	29.9	32.9	33.6	35.8	34.4	35.0	31.9	32.6	36.0	33.5	34.6
$100,000 to $249,999	44	35.8	32.3	31.5	33.1	34.1	37.9	40.3	37.1	33.9	36.6	35.8	36.6	39.0
$250,000 and over	29	40.2	42.1	36.2	38.9	41.6	41.4	42.9	38.8	39.0	39.8	40.1	39.4	42.1
REGION														
New England	15	46.3	45.0	45.0	45.4	45.3	48.1	49.8	45.3	45.5	45.5	44.6	45.0	50.2
Central Atlantic	35	35.2	33.9	29.9	33.1	35.5	39.3	39.0	36.6	35.3	34.2	34.0	33.9	36.6
Midwest	58	42.1	39.5	38.9	42.3	44.2	44.2	45.4	43.3	40.9	41.7	42.6	40.6	41.9
Southeast	13	29.0	33.2	28.5	27.5	27.9	26.9	31.4	24.3	26.3	29.2	30.8	30.4	34.6
Gulf Southwest	16	44.1	42.8	42.7	43.9	47.7	44.1	43.6	42.5	41.6	45.2	46.7	45.3	44.1
West Midcontinent	13	35.5	31.9	32.8	33.8	39.0	36.9	37.3	32.8	34.8	32.1	35.8	38.3	39.9
Central Northwest	6	34.1	19.7	23.7	28.1	31.8	36.3	33.0	35.2	35.2	35.4	38.0	38.5	46.5
Pacific Northwest	11	48.5	50.0	45.0	46.9	47.9	48.9	50.3	48.1	44.5	50.5	49.8	51.2	48.2
Pacific Southwest	22	39.3	40.0	38.1	41.5	42.5	40.7	42.0	36.1	34.4	39.4	39.7	35.4	41.1
Total	189	37.9	37.5	34.4	36.5	38.5	39.5	40.7	37.6	36.5	37.6	38.2	37.4	39.8

COAL AND WOOD DEALERS

KINDS AND EXTENT OF CREDIT

Reports from 680 coal and wood dealers with total net sales in 1927 of $143,668,387 indicate that 25.4 per cent of this amount was for cash, 74.4 per cent on open credit, and 0.2 per cent on installment credit.

Of the total of 680 dealers, 30 sold for cash only, 631 sold for cash and open credit only, and 19 sold for cash, open credit, and installment credit.

On the basis of reports from 269 dealers reporting for 1925, 1926, and 1927, it was found that cash sales in 1927 decreased 8.2 per cent below those of 1925, open credit sales increased 5.2 per cent, and installment sales increased 43.9 per cent. Although installment sales increased greatly during this 3-year period, such sales were a very small fraction of total sales.

The smaller dealers did a larger proportion of their business on a cash basis than the larger ones. The smallest dealers, those with annual net sales less than $50,000 (144 dealers reporting), did 40.4 per cent of their business on a cash basis, whereas the groups with net sales of $250,000 and over had approximately 20.9 per cent cash sales.

The Pacific Northwest States (24 dealers reporting) did 42.4 per cent of total business for cash, which was the highest average of all the geographical districts; the West Midcontinent States (45 dealers reporting) did 18.4 per cent of total business for cash, which was the lowest.

Kinds and Extent of Credit Business of 680 Coal and Wood Dealers in 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (30 dealers)	2,296			2,296
Cash and open credit only (631 dealers)	33,514	103,944		137,458
Cash, open credit, and installment credit (19 dealers)	690	2,964	260	3,914
Total sales (680 dealers)	36,500	106,908	260	143,668
Per cent of total sales	25.4	74.4	0.2	100

Kinds and Extent of Credit Business of 269 Coal and Wood Dealers in 1925, 1926, and 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Installment credit	Total
1925:				
Volume of sales	15,471	52,211	41	67,723
Per cent of total sales	22.8	77.1	0.1	100
1926:				
Volume of sales	15,750	56,904	46	72,700
Per cent of total sales	21.6	78.3	0.1	100
1927:				
Volume of sales	14,205	54,927	59	69,191
Per cent of total sales	20.5	79.4	0.1	100
Per cent change in volume of sales:				
1926 over 1925	+1.8	+8.9	+12.1	+7.3
1927 over 1926	−9.9	−3.5	+28.2	−4.9
1927 over 1925	−8.2	+5.2	+43.9	+2.1

Kinds and Extent of Credit Business of 614 Coal and Wood Dealers, 1927

Classification	Dealers	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $50,000	144	40.4	59.0	0.6
$50,000 to $99,999	164	32.1	67.6	.3
$100,000 to $249,999	187	26.8	73.1	.1
$250,000 to $499,999	55	20.7	79.1	.2
$500,000 to $999,999	41	20.5	79.5	
$1,000,000 and over	23	20.9	78.8	.3
REGION				
New England	70	20.5	79.3	.2
Central Atlantic	119	23.7	75.9	.4
Midwest	239	25.8	74.1	.1
Southeast	30	26.6	73.3	.1
Gulf Southwest	27	18.6	81.4	
West Midcontinent	45	18.4	81.6	
Central Northwest	44	23.1	76.9	
Pacific Northwest	24	42.4	57.4	.2
Pacific Southwest	16	26.3	73.7	
Total	614	23.6	76.2	.2

CREDIT LOSSES

The average loss from bad debts on open credit sales of 614 coal and wood dealers was 0.4 per cent; the average loss on installment credit sales was 0.8 per cent.

Open credit losses varied inversely with the size of establishments; that is, the larger the establishments the smaller the loss percentages. The range was from an average of 1.2 per cent for the smallest establishments to 0.2 per cent for the largest.

The data show great differences among individual establishments in regard to their bad-debt losses. There were 151 dealers with losses on open credit sales less than 0.2 per cent. At the other extreme were 20 dealers with losses on open credit sales of 5 per cent or more. The latter dealers thus had open credit losses at least twenty-five times as great proportionately as the former ones.

Losses from Bad Debts of 614 Coal and Wood Dealers in 1927, Grouped According to Total Volume of Sales and Geographical Districts

Classification	Open credit			Installment credit		
	Dealers	Ratio bad debts to credit sales	Ratio bad debts to total sales	Dealers	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $50,000	144	1.2	0.7	6	2.1	0.3
$50,000 to $99,999	164	.7	.5	5	.3	.03
$100,000 to $249,999	187	.5	.3	2		
$250,000 to $499,999	55	.5	.4	4	.2	0.007
$500,000 to $999,999	41	.5	.4	1	3.5	.004
$1,000,000 and over	23	.2	.2	1	.9	.1
REGION						
New England	70	.3	.2	5	.2	.01
Central Atlantic	119	.4	.3	7	1.1	.1
Midwest	239	.5	.4	4	.1	.004
Southeast	30	.9	.6	1	1.6	.2
Gulf Southwest	27	1.0	.8	1	1.9	.09
West Midcontinent	45	.6	.5			
Central Northwest	44	.3	.2			
Pacific Northwest	24	.7	.4	1		
Pacific Southwest	16	.8	.6			
Total	614	.4	.3	19	.8	.05

Coal and Wood Dealers Grouped According to Size of Open Credit Loss

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total dealers	Size group (sales volume)					
		Less than $50,000	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 to $999,999	$1,000,000 and over
Less than 0.2 per cent	151	33	34	50	14	13	7
0.2 to 0.29 per cent	74	7	14	27	11	8	7
0.3 to 0.39 per cent	58	4	14	21	8	5	6
0.4 to 0.49 per cent	39	7	12	9	8	1	2
0.5 to 0.59 per cent	42	6	19	13	3	1	
0.6 to 0.69 per cent	32	3	10	12		7	
0.7 to 0.79 per cent	20	2	5	10	2	1	
0.8 to 0.89 per cent	20	5	8	6	1		
0.9 to 0.99 per cent	12	3	5	4			
1 to 1.4 per cent	61	18	20	20	2	1	
1.5 to 1.9 per cent	35	15	7	7	3	2	1
2 to 2.9 per cent	28	12	5	7	3	1	
3 to 3.9 per cent	16	9	5	1		1	
4 to 4.9 per cent	6	3	3				
5 per cent and over	20	17	3				
Total	614	144	164	187	55	41	23

TERMS ON INSTALLMENT SALES

The table on terms shows diversity among dealers in regard to terms. The range in deposit required was from 10 per cent or less to 33⅓ per cent. The range in life of contracts was from 6 months or less to 12 months.

TERMS AND RATIO OF LOSS ON INSTALLMENT SALES OF 16 COAL AND WOOD DEALERS IN 1927

Deposit required	Life of contract, in months	Dealers	Installment credit	
			Ratio bad debts to credit sales	Ratio bad debts to total sales
			Per cent	*Per cent*
None	6 or less	2		
	7 to 12	1	0.9	0.1
10 per cent or less	6 or less	2	.2	.003
	7 to 12	1		
10 per cent or less to 25 per cent	6 or less	2	.1	.007
	7 to 12	1	3.1	1.3
11 to 24 per cent	6 or less	1	.7	.03
	7 to 12	1		
25 per cent	6 or less	2	2.3	.3
25 to 33⅓ per cent	do	2	.6	.1
30 to 33⅓ per cent	do	1	1.6	.04
Total		16	.8	.06

USE OF CREDIT BUREAUS

Of the 601 coal and wood dealers which supplied information on the use of credit bureaus, 504 of them, or 83.9 per cent, made use of credit bureaus as compared with 97, or 16.1 per cent, which did not.

Of the 601 dealers which reported on the subject of making credit investigations of their own, 131 dealers, or 21.8 per cent, relied wholly on the credit bureaus for information; 373, or 62.1 per cent, supplemented the use of credit bureaus with investigations of their own; and 97, or 16.1 per cent, made no use of credit bureaus.

The average loss on open credit sales of those stores which relied wholly on the credit bureaus was 0.6 per cent, of those which used credit bureaus and supplemented their use with investigations of their own 0.4 per cent, and of those which did not use credit bureaus 0.5 per cent. The average loss on installment sales of the first group (2 dealers reporting) was 0.1 per cent, of the second group (11 dealers reporting) 0.8 per cent, and of the third (6 dealers reporting) 1 per cent.

SOURCE OF CREDIT INFORMATION OF COAL AND WOOD DEALERS IN 1927

Classification	Dealers	Ratio bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Dealers using credit bureaus and making no investigations of their own (131 dealers, 21.8 per cent):			
Open credit	131	0.6	0.5
Installment credit	2	.1	.003
Dealers using credit bureaus and also making investigations of their own (373 dealers, 62.1 per cent):			
Open credit	373	.4	.3
Installment credit	11	.8	.06
Dealers not making use of credit bureaus (97 dealers, 16.1 per cent):			
Open credit	97	.5	.3
Installment credit	6	1.0	.1

CHAIN STORES

Of the total of 614 coal and wood dealers doing credit business, 4 of them, or 0.6 per cent, were members of chain organizations and 610, or 99.4 per cent, were not. The individual establishment decided the question whether it was a chain establishment.

The average open credit loss of the chain dealers (4 dealers reporting) was 0.3 per cent and of other dealers 0.5 per cent.

LOSSES FROM BAD DEBTS OF CHAIN COAL AND WOOD DEALERS COMPARED WITH THOSE OF OTHER COAL AND WOOD DEALERS IN 1927

Type	Dealers	Ratio bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Chain coal and wood dealers (4 dealers, 0.6 per cent), open credit	4	0.3	0.2
All others (610 dealers, 99.4 per cent):			
Open credit	610	.5	.3
Installment credit	19	.8	.05

RETURNS AND ALLOWANCES

The percentage of returns and allowances on cash and open credit sales, respectively, were 1.4 per cent of gross cash sales and 0.8 per cent of gross open credit sales.

There were 42 dealers with individual returns and allowance percentages on open credit sales of less than 0.2 per cent. At the other extreme were 6 dealers with 5 per cent or more.

RETURNS AND ALLOWANCES OF COAL AND WOOD DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Cash sales		Open credit sales	
	Dealers	Per cent returns and allowances	Dealers	Per cent returns and allowances
SALES VOLUME				
Less than $50,000	9	4.0	16	0.5
$50,000 to $99,999	11	8.7	35	1.0
$100,000 to $249,999	21	.5	48	1.8
$250,000 to $499,999	5	.5	18	.8
$500,000 to $999,999	5	.1	19	.8
$1,000,000 and over	1	.006	8	.4
REGION				
New England	7	.1	22	.6
Central Atlantic	12	.4	35	.7
Midwest	22	4.1	55	1.3
Southeast	2	.5	3	1.2
Gulf Southwest			6	.3
West Midcontinent	2	.3	14	1.4
Central Northwest	3	.5	5	.5
Pacific Northwest	3	.1	3	.3
Pacific Southwest	1	.1	1	.2
Total	52	1.4	144	.8

108701—30——3

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF COAL AND WOOD DEALERS IN 1927

[Percentages based on gross sales]

Ratio of returns and allowances	Total dealers	Size group (sales volume)					
		Less than $50,000	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 to $999,999	$1,000,000 and over
Less than 0.2 per cent	42	4	5	12	9	9	3
0.2 to 0.29 per cent	9	2	2	3	1	1	
0.3 to 0.39 per cent	14	1	7	2	3	1	
0.4 to 0.49 per cent	10		2	6	1		1
0.5 to 0.59 per cent	10	4	2	1		1	2
0.6 to 0.69 per cent	2		2				
0.7 to 0.79 per cent	5		2	1	1		1
0.8 to 0.89 per cent	4			3		1	
0.9 to 0.99 per cent	3	1	1	1			
1.0 to 1.4 per cent	13	3	3	3	1	3	
1.5 to 1.9 per cent	10	1	2	4	1	2	
2.0 to 2.9 per cent	11		5	5			1
3.0 to 3.9 per cent	2			2			
4.0 to 4.9 per cent	3			2		1	
5 per cent and over	6		2	3	1		
Total	144	16	35	48	18	19	8

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all stores to the outstanding balances due of the same stores when books were closed for the preceding month.

The open account collection percentage for the whole country was 47.5 per cent. January, with 55.2 per cent, had the highest average, and July, with 41.4 per cent, had the lowest.

The Pacific Northwest States, represented by 13 dealers, had the highest average, which was 58.9 per cent, and the Southeast States, represented by 13 dealers, had the lowest, which was 36.7 per cent.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF COAL AND WOOD DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Dealers	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $50,000	35	38.6	49.0	41.6	38.9	35.5	33.2	32.6	32.8	35.7	37.5	39.7	41.3	43.7
$50,000 to $99,999	76	43.4	51.2	45.5	45.1	41.8	37.6	38.3	38.4	41.4	44.4	47.1	41.4	47.0
$100,000 to $249,999	108	46.4	53.5	48.6	46.2	44.1	42.8	43.4	40.6	43.2	48.1	47.9	45.9	50.3
$250,000 to $499,999	35	45.2	53.4	47.4	48.5	45.0	46.8	42.9	39.9	42.7	45.2	43.7	41.9	44.0
$500,000 to $999,999	32	51.2	56.5	52.7	53.9	50.7	47.7	49.3	47.0	48.6	51.4	49.4	50.3	53.8
$1,000,000 and over	18	47.7	56.6	53.2	52.8	49.5	46.7	45.2	40.1	41.7	43.9	47.3	44.8	47.5
REGION														
New England	41	46.2	48.2	47.0	47.4	44.8	48.1	49.8	47.2	46.4	45.5	44.5	40.9	45.4
Central Atlantic	57	43.0	53.5	48.6	47.3	47.5	44.1	41.0	35.6	36.1	40.1	41.5	39.0	42.3
Midwest	107	53.1	58.7	54.4	55.7	50.1	49.1	52.4	49.3	52.7	55.0	52.9	52.1	53.1
Southeast	13	36.7	41.4	43.1	40.3	39.6	37.4	29.7	25.5	32.5	35.7	35.7	40.5	38.9
Gulf Southwest	15	46.7	54.2	48.1	48.5	43.9	39.0	40.4	41.2	45.9	47.5	48.6	45.3	49.4
West Midcontinent	26	52.2	62.3	54.4	51.1	47.6	43.8	45.8	41.4	50.1	54.1	56.8	52.1	64.2
Central Northwest	25	52.7	61.9	54.7	54.8	48.0	43.7	40.6	40.1	46.2	53.2	56.8	58.8	59.2
Pacific Northwest	13	58.9	65.2	59.2	62.2	59.6	56.2	53.7	55.5	55.9	59.4	61.0	56.9	60.3
Pacific Southwest	7	47.1	52.9	51.4	55.6	47.0	45.6	39.9	48.2	43.7	48.1	47.3	43.6	50.0
Total[1]	304	47.5	55.2	50.8	50.5	47.4	45.5	44.8	41.4	43.5	46.5	47.3	45.6	49.0

LUMBER AND BUILDING-MATERIAL DEALERS

KINDS AND EXTENT OF CREDIT

Reports from 640 lumber and building-material dealers with total net sales in 1927 of $149,496,569 indicate that 7.9 per cent of this amount was for cash, 90 per cent on open credit, and 2.1 per cent on installment credit.

Of the total of 640 dealers, 4 sold for cash only, 564 sold for cash and open credit only, 5 sold for cash and installment credit only, and 67 sold for cash, open credit, and installment credit.

The smaller dealers did a much larger proportion of their business on a cash basis than the larger ones. The smallest dealers, those with annual net sales less than $50,000 (66 reporting), did 18.3 per cent of their business on a cash basis, whereas the groups with sales of $500,000 to $1,000,000 (49 reporting) and $1,000,000 and over (18 reporting) did 6 and 6.1 per cent, respectively, on a cash basis.

The Southeast States (44 dealers reporting) did 13 per cent of total business for cash, which was the highest average of all the geographical districts; the Pacific Southwest States (67 dealers reporting) did 4.9 per cent, the lowest.

KINDS AND EXTENT OF CREDIT BUSINESS OF 640 LUMBER AND BUILDING-MATERIAL DEALERS IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (4 dealers)	136			136
Cash and open credit only (564 dealers)	9,891	122,820		132,711
Cash and installment credit only (5 dealers)	56		443	499
Cash, open credit, and installment credit (67 dealers)	1,772	11,771	2,607	16,150
Total sales (640 dealers)	11,855	134,591	3,050	149,496
Per cent of total sales	7.9	90	2.1	100

KINDS AND EXTENT OF CREDIT BUSINESS OF 534 LUMBER AND BUILDING-MATERIAL DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Dealers	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $50,000	66	18.3	80.7	1.0
$50,000 to $99,999	104	14.3	82.8	2.9
$100,000 to $249,999	203	7.8	87.6	4.6
$250,000 to $499,999	94	7.9	89.5	2.6
$500,000 to $999,999	49	6.0	93.3	.7
$1,000,000 and over	18	6.1	93.2	.7
REGION				
New England	24	8.0	91.9	.1
Central Atlantic	105	7.5	91.9	.6
Midwest	152	7.8	89.1	3.1
Southeast	44	13.0	83.4	3.6
Gulf Southwest	48	6.0	83.6	10.4
West Midcontinent	43	9.6	89.0	1.4
Central Northwest	20	7.7	92.2	.1
Pacific Northwest	31	6.4	93.5	.1
Pacific Southwest	67	4.9	94.5	.6
Total	534	7.5	90.4	2.1

CREDIT LOSSES

The average loss from bad debts on open credit sales of 529 lumber and building-material dealers was 1 per cent; the average loss on installment credit sales was also 1 per cent.

The smaller stores had much greater open credit loss ratios than the larger ones. The range was from an average of 1.6 per cent for the smallest stores to 0.5 per cent for the largest ones.

The data show great differences among individual establishments in regard to their bad-debt losses. There were 120 dealers with losses on open credit sales less than 0.2 per cent. At the other extreme were 30 dealers with losses on open credit sales of 5 per cent or more. The latter dealers thus had open credit losses at least twenty-five times as great proportionately as the former ones.

There were 37 dealers with losses on installment sales of less than 0.2 per cent and 10 with 5 per cent or more.

LOSSES FROM BAD DEBTS OF 534 LUMBER AND BUILDING-MATERIAL DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Dealers	Ratio bad debts to credit sales	Ratio bad debts to total sales	Dealers	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $50,000	66	1.6	1.2	5	9.0	1.0
$50,000 to $99,999	102	1.1	.9	15	2.0	.3
$100,000 to $249,999	200	1.3	1.1	33	.8	.2
$250,000 to $499,999	94	1.3	1.1	11	.3	.07
$500,000 to $999,999	49	.9	.8	5	3.7	.2
$1,000,000 and over	18	.5	.5	2	.4	.03
REGION						
New England	24	1.9	1.7	1		
Central Atlantic	105	1.1	1.0	7	5.5	.4
Midwest	150	.7	.6	26	.7	.1
Southeast	44	1.8	1.5	7	.3	.06
Gulf Southwest	45	1.0	.9	17	.5	.2
West Midcontinent	43	.9	.8	6	.9	.1
Central Northwest	20	.7	.6	1		
Pacific Northwest	31	.6	.6	1	5.0	.6
Pacific Southwest	67	.9	.8	5	2.4	.3
Total	529	1.0	.9	71	1.0	.1

LUMBER AND BUILDING-MATERIAL DEALERS GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total dealers	Size group (sales volume)					
		Less than $50,000	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 to $999,999	$1,000,000 and over
Less than 0.2 per cent	120	17	22	48	20	11	2
0.2 to 0.29 per cent	40	5	6	18	4	4	3
0.3 to 0.39 per cent	45	2	14	15	7	4	3
0.4 to 0.49 per cent	27	3	3	12	5	3	1
0.5 to 0.59 per cent	24	3	4	8	6	2	1
0.6 to 0.69 per cent	21	1	4	8	4	3	1
0.7 to 0.79 per cent	16	1	2	6	3	1	3
0.8 to 0.89 per cent	16		2	6	1	4	3
0.9 to 0.99 per cent	15	1	3	2	8	1	
1 to 1.4 per cent	63	5	14	21	14	9	
1.5 to 1.9 per cent	31	6	8	11	4	2	
2 to 2.9 per cent	51	10	10	26	4		1
3 to 3.9 per cent	21	4	4	6	4	3	
4 to 4.9 per cent	9	1	2	4	2		
5 per cent and over	30	7	4	9	8	2	
Total	529	66	102	200	94	49	18

LUMBER AND BUILDING-MATERIAL DEALERS GROUPED ACCORDING TO SIZE OF INSTALLMENT CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on installment accounts to installment account sales]

Ratio of loss	Total dealers	Size group (sales volume)					
		Less than $50,000	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 to $999,999	$1,000,000 and over
Less than 0.2 per cent	37	3	8	18	5	2	1
0.2 to 0.29 per cent	1		1				
0.3 to 0.39 per cent	5			5			
0.4 to 0.49 per cent	1				1		
0.5 to 0.59 per cent							
0.6 to 0.69 per cent	2			1			1
0.7 to 0.79 per cent	1				1		
0.8 to 0.89 per cent							
0.9 to 0.99 per cent	2			1		1	
1 to 1.4 per cent	8		2	2	4		
1.5 to 1.9 per cent	1			1			
2 to 2.9 per cent	3	1	1	1			
3 to 3.9 per cent							
4 to 4.9 per cent							
5 per cent and over	10	1	3	4		2	
Total	71	5	15	33	11	5	2

TERMS ON INSTALLMENT SALES

The table on terms shows great diversity among dealers in regard to terms of installment sales. The range in deposit required was from none to more than 33⅓ per cent. The range in life of contracts was from 6 months or less to more than 36 months.

TERMS AND LOSS ON INSTALLMENT SALES OF 67 LUMBER AND BUILDING-MATERIAL DEALERS IN 1927

Deposit required	Life of contract, in months	Dealers	Ratio bad debts to credit sales	Ratio bad debts to total sales
			Per cent	*Per cent*
None	6 or less to 18	1	0.3	0.1
	7 to 12	1	1.0	.08
10 per cent or less	6 or less	3	1.9	1.2
	6 or less to 12	2	.7	.04
	7 to 12	7	1.0	.1
	7 to 18	1	1.1	.4
	7 to 36	1	.7	.2
	13 to 18	1	.3	.3
10 per cent or less to 25 per cent	6 or less	2	1.9	.3
	6 or less to 12	4	4.2	.5
	6 or less to 18	1		
	6 or less to 24	6	.1	.01
	6 or less to 36	1		
	7 to 18	2		
	7 to 24	2	1.3	.07
	25 to 36	1		
10 per cent or less to 33⅓ per cent	6 or less	2		
	6 or less to 36	3	.02	.01
	7 to 12	1	5.9	.6
10 per cent or less to more than 33⅓ per cent.	6 or less	1	.9	.7
	6 or less to 18	1	7.2	.6
	6 or less to 36	3	.6	.1
11 to 24 per cent	25 to more than 36	3	.2	.1
11 to 33⅓ per cent	do	1		
11 to more than 33⅓ per cent	6 or less	1		
25 per cent	6 or less to 12	1	5.0	.6
	6 or less	1	2.8	.1
	7 to 12	2	26.8	1.4
	7 to 18	1		
	13 to 18	1	1.9	.1
	25 to more than 36	2		
30 to 33⅓ per cent	6 or less to 12	1	1.3	.04
	7 to 12	2		
30 to more than 33⅓ per cent	6 or less	1	.3	.03
	7 to 12	1	2.5	.04
More than 33⅓ per cent	6 or less	1		
	13 to 18	1		

USE OF CREDIT BUREAUS

Of the total of 517 lumber and building-material dealers reporting on the use of credit bureaus, 451 of them, or 87.2 per cent, made use of credit bureaus and 66, or 12.8 per cent, did not.

Of the 517 dealers which reported on the subject of making credit investigations of their own, 70 dealers, or 13.5 per cent, relied wholly on the credit bureaus for information; 381, or 73.7 per cent, supplemented the use of credit bureaus with investigations of their own; and 66, or 12.8 per cent, made no use of credit bureaus.

The average loss on open credit sales of those stores which relied wholly on the credit bureaus was 1.2 per cent, of those which used credit bureaus and supplemented their use with investigations of their own 0.9 per cent, and of those which did not use credit bureaus 1.1 per cent.

The average loss on installment sales of the first group (12 dealers reporting) was 0.1 per cent, of the second (52 dealers reporting) 1.1 per cent, and of the third (5 dealers reporting) 0.9 per cent.

SOURCE OF CREDIT INFORMATION OF LUMBER AND BUILDING-MATERIAL DEALERS IN 1927

Classification	Dealers	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Dealers using credit bureaus and making no investigations of their own (70 dealers, 13.5 per cent):			
Open credit	69	1.2	1.1
Installment credit	12	.1	.03
Dealers using credit bureaus and also making investigations of their own (381 dealers, 73.7 per cent):			
Open credit	378	.9	.8
Installment credit	52	1.1	.1
Dealers not making use of credit bureaus (66 dealers, 12.8 per cent):			
Open credit	65	1.1	.9
Installment credit	5	.9	.4

CHAIN STORES

Of the total of 534 lumber and building-material dealers doing credit business, 18 of them, or 3.4 per cent, were members of chain organizations and 516, or 96.6 per cent, were not. The individual establishment decided the question whether it was a chain establishment.

The average open credit loss of the chain dealers was 0.5 per cent and of other dealers 1 per cent.

LOSSES FROM BAD DEBTS OF CHAIN LUMBER AND BUILDING-MATERIAL DEALERS COMPARED WITH THOSE OF OTHER LUMBER AND BUILDING-MATERIAL DEALERS

Type	Dealers	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Chain lumber and building material dealers (18 dealers, 3.4 per cent):			
Open credit	18	0.5	0.5
Installment credit	1		
All others (516 dealers, 96.6 per cent):			
Open credit	511	1.0	.9
Installment credit	71	1.0	.2

RETURNS AND ALLOWANCES

The ratios of returns and allowances on cash and open credit sales, respectively, were 2.6 per cent of gross cash sales and 3.5 per cent of gross open credit sales.

There were 82 dealers with individual returns and allowance percentages on open credit sales of less than 2 per cent. At the other extreme were 8 dealers with 10 per cent or more.

RETURNS AND ALLOWANCES ON CASH SALES OF LUMBER AND BUILDING-MATERIAL DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Dealers	Total gross cash sales	Per cent returns and allowances
SALES VOLUME			
Less than $50,000	8	$69,821	2.4
$50,000 to $99,999	14	217,685	2.4
$100,000 to $249,999	28	557,839	3.3
$250,000 to $499,999	18	441,032	3.0
$500,000 to $999,999	6	221,984	.5
$1,000,000 and over			
REGION			
New England	1	41,589	.7
Central Atlantic	23	532,996	2.4
Midwest	17	313,201	2.6
Southeast	11	393,726	3.3
Gulf Southwest	6	58,684	2.1
West Midcontinent	3	28,472	4.0
Central Northwest	2	6,937	1.7
Pacific Northwest	1	8,047	.8
Pacific Southwest	10	124,709	2.3
Total	74	1,508,361	2.6

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF LUMBER AND BUILDING-MATERIAL DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Dealers	Total gross open credit sales	Per cent returns and allowances
SALES VOLUME			
Less than $50,000	25	$728,282	3.8
$50,000 to $99,999	39	2,480,809	2.8
$100,000 to $249,999	86	12,809,190	3.6
$250,000 to $499,999	41	13,560,553	3.0
$500,000 to $999,999	22	14,233,235	3.5
$1,000,000 and over	3	4,774,350	5.0
REGION			
New England	11	3,620,798	2.4
Central Atlantic	48	11,253,472	2.2
Midwest	54	11,489,564	4.1
Southeast	21	4,392,221	3.3
Gulf Southwest	17	4,717,985	2.9
West Midcontinent	12	1,845,187	3.8
Central Northwest	9	4,882,917	6.4
Pacific Northwest	14	2,720,692	2.4
Pacific Southwest	30	3,663,583	4.7
Total	216	48,586,419	3.5

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF LUMBER AND BUILDING-MATERIAL DEALERS IN 1927

[Percentages based on gross sales]

Sales volume	Total dealers	Dealers having returns and allowances—					
		Less than 2 per cent	2 to 3.9 per cent	4 to 5.9 per cent	6 to 7.9 per cent	8 to 9.9 per cent	10 per cent and over
Less than $50,000	25	8	8	2	5	1	1
$50,000 to $99,999	39	16	14	4	2	3	
$100,000 to $249,999	86	30	26	14	6	5	5
$250,000 to $499,999	41	17	12	8	3	1	
$500,000 to $999,999	22	9	6	4	1	1	1
$1,000,000 and over	3	2					1
Total	216	82	66	32	17	11	8

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all stores to the outstanding balances due of the same stores when books were closed for the preceding month.

The open account collection percentage for the whole country was 36.6 per cent. June, with 38.6 per cent, had the highest average, and February, with 31.4 per cent, had the lowest. The Pacific Northwest States, represented by 17 dealers, had the highest average, which was 48.8 per cent, and the Southeast States, represented by 23 dealers, had the lowest, 31.1 per cent.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF LUMBER AND BUILDING-MATERIAL DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Dealers	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $50,000	23	28.2	22.6	30.9	25.9	27.0	28.6	25.3	28.0	28.0	31.6	31.5	29.7	28.4
$50,000 to $99,999	39	32.2	28.6	27.5	29.9	33.0	34.8	32.4	34.2	34.0	33.4	33.2	31.8	33.2
$100,000 to $249,999	97	36.0	33.8	31.3	35.9	36.0	37.3	38.7	36.5	36.9	36.5	36.8	33.2	38.4
$250,000 to $499,999	51	35.3	33.4	30.1	34.1	34.8	34.3	37.6	36.1	36.7	36.3	36.0	36.3	36.6
$500,000 to $999,999	30	37.4	32.1	30.9	36.2	39.0	39.6	38.4	37.8	40.5	39.0	39.5	36.6	38.1
$1,000,000 and over	8	40.4	35.3	36.0	40.3	39.2	38.7	43.9	40.8	41.7	39.2	43.5	41.6	44.0
REGION														
New England	17	36.7	34.0	30.2	35.9	39.4	41.8	37.4	36.7	37.4	37.6	36.6	35.5	38.5
Central Atlantic	48	32.1	29.6	28.3	31.3	33.5	33.7	34.9	33.4	34.4	31.5	32.0	29.7	32.4
Midwest	69	39.4	33.9	30.2	35.6	38.2	40.2	42.3	42.1	43.8	41.0	41.9	37.8	41.5
Southeast	23	31.1	30.6	30.8	35.7	29.5	29.5	34.8	30.0	28.0	28.3	29.6	31.1	34.6
Gulf Southwest	15	38.7	30.0	32.9	38.7	37.9	40.9	39.1	35.0	41.5	41.3	42.3	40.2	43.0
West Midcontinent	14	35.2	34.9	28.8	28.0	35.6	31.1	32.3	37.5	31.6	38.6	36.5	45.1	39.5
Central Northwest	11	36.5	28.4	31.1	33.7	34.4	33.1	36.0	35.7	36.9	38.6	41.9	40.7	41.8
Pacific Northwest	17	48.8	48.2	45.6	51.5	52.5	48.4	47.9	46.2	49.9	50.1	51.6	46.5	46.3
Pacific Southwest	34	39.1	40.5	37.4	41.4	40.9	39.9	43.4	38.4	39.6	38.8	38.3	34.5	36.7
Total	248	36.6	33.0	31.4	35.7	36.7	37.1	38.6	37.2	38.3	37.4	38.1	36.0	38.2

COAL, WOOD, LUMBER, AND BUILDING-MATERIAL DEALERS

KINDS AND EXTENT OF CREDIT

Reports from 207 coal, wood, lumber, and building-material dealers with total net sales in 1927 of $51,047,790 indicate that 21.5 per cent of this amount was for cash, 76.5 per cent on open credit, and 2 per cent on installment credit.

Of the total of 207 dealers, 8 sold for cash only, 178 sold for cash and open credit only, 1 sold for installment credit only, and 20 sold for cash, open credit, and installment credit.

On the basis of reports from 89 dealers reporting for 1925, 1926, and 1927, it was found that cash sales increased 9.1 per cent in 1927 over those of 1925, and open credit sales decreased 8.1 per cent during those years.

The smaller dealers did a much larger proportion of their business on a cash basis than the larger ones. The range was from 34 per cent on a cash basis for the dealers with annual net sales from $25,000 to $49,999 to 17.7 per cent on a cash basis for the dealers with annual net sales from $250,000 to $499,999.

KINDS AND EXTENT OF CREDIT BUSINESS OF 207 COAL, WOOD, LUMBER, AND BUILDING-MATERIAL DEALERS IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (8 dealers)	340			340
Cash and open credit only (178 dealers)	10,124	37,554		47,678
Installment credit only (1 dealer)			55	55
Cash, open credit, and installment credit (20 dealers)	494	1,497	983	2,974
Total sales (207 dealers)	10,958	39,051	1,038	51,047
Per cent of total sales	21.5	76.5	2.0	100

EXTENT OF CREDIT BUSINESS OF 89 COAL, WOOD, LUMBER, AND BUILDING-MATERIAL DEALERS IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Total
1925:			
Volume of sales	6,431	19,872	26,303
Per cent of total sales	24.4	75.6	100
1926:			
Volume of sales	6,336	18,658	24,994
Per cent of total sales	25.4	74.6	100
1927:			
Volume of sales	7,018	18,280	25,298
Per cent of total sales	27.7	72.3	100
Per cent change in volume of sales:			
1926 over 1925	−1.5	−6.2	−5.0
1927 over 1926	+10.7	−2.1	+1.2
1927 over 1925	+9.1	−8.1	−3.9

KINDS AND EXTENT OF CREDIT BUSINESS OF 187 COAL, WOOD, LUMBER, AND BUILDING-MATERIAL DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Dealers	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $25,000	11	30.8	64.5	4.7
$25,000 to $49,999	19	34.0	65.2	.8
$50,000 to $99,999	42	33.1	64.3	2.6
$100,000 to $249,999	66	23.8	76.2	
$250,000 to $499,999	31	17.7	82.1	.2
$500,000 and over	18	19.7	76.8	3.5
REGION				
New England	10	22.6	77.4	
Central Atlantic	24	21.8	77.9	.3
Midwest	86	19.6	76.2	4.2
Southeast	3	37.8	62.2	
Gulf Southwest	6	14.3	85.4	.3
West Midcontinent	15	20.8	79.2	
Central Northwest	17	15.8	79.7	4.5
Pacific Northwest	6	19.0	81.0	
Pacific Southwest	20	15.7	84.2	.1
Total	187	21.2	76.9	1.9

CREDIT LOSSES

The average loss from bad debts on open credit sales of 186 coal, wood, lumber, and building-material dealers was 0.6 per cent; the average loss on installment credit sales (9 dealers reporting) was 0.2 per cent.

The smallest dealers, those with annual net sales less than $25,000, had an average loss on open credit sales of 1.9 per cent. The largest dealers, those with annual net sales of $500,000 and over, had an average of 0.5 per cent.

The data show great differences among individual establishments in regard to their bad-debt losses. There were 50 dealers with losses on open credit sales less than 0.2 per cent. At the other extreme were 7 dealers with losses on open credit sales of 5 per cent or more. The latter dealers thus had open credit losses at least twenty-five times as great proportionately as the former.

LOSSES FROM BAD DEBTS OF 187 COAL, WOOD, LUMBER, AND BUILDING-MATERIAL DEALERS, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $25,000	11	1.9	1.2	1		
$25,000 to $49,999	19	.5	.3	1	3.6	0.5
$50,000 to $99,999	41	.7	.5	4	2.4	.6
$100,000 to $249,999	66	.8	.6			
$250,000 to $499,999	31	.6	.5	2		
$500,000 and over	18	.5	.4	1	.008	.005
REGION						
New England	10	.6	.4			
Central Atlantic	24	.5	.4	1	12.7	1.9
Midwest	86	.6	.4	5	.008	.003
Southeast	3	.6	.3			
Gulf Southwest	6	.2	.2	1		
West Midcontinent	15	.5	.3			
Central Northwest	16	.5	.4	1		
Pacific Northwest	6	.6	.5			
Pacific Southwest	20	.9	.7	1	3.6	.5
Total	186	.6	.5	9	.2	.09

COAL, WOOD, LUMBER, AND BUILDING-MATERIAL DEALERS, GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open credit accounts to open account sales]

Ratio of loss	Total stores	Size group (sales volume)					
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 and over
Less than 0.2 per cent	50	4	10	11	14	8	3
0.2 to 0.29 per cent	18			4	7	3	4
0.3 to 0.39 per cent	16	1	2	3	9	1	
0.4 to 0.49 per cent	19		2	1	7	5	4
0.5 to 0.59 per cent	8				5	2	1
0.6 to 0.69 per cent	6			1	1	2	2
0.7 to 0.79 per cent	5			2	2		1
0.8 to 0.89 per cent	6	1		2	1	1	1
0.9 to 0.99 per cent	6		2	2	1	1	
1 to 1.4 per cent	21	1	1	6	8	3	2
1.5 to 1.9 per cent	11			2	5	4	
2 to 2.9 per cent	7	1		6			
3 to 3.9 per cent	4		1		2	1	
4 to 4.9 per cent	2	1			1		
5 per cent and over	7	2	1	1	3		
Total	186	11	19	41	66	31	18

USE OF CREDIT BUREAUS

Of the total of 185 coal, wood, lumber, and building-material dealers reporting on the use of credit bureaus, 159 of them, or 86 per cent, made use of credit bureaus, as compared with 26, or 14 per cent, which did not.

Of the 185 dealers which reported on the subject of making credit investigations of their own, 24 dealers, or 13 per cent, relied wholly on the credit bureaus for information; 135, or 73 per cent, supplemented the use of credit bureaus with investigations of their own; and 26, or 14 per cent, made no use of credit bureaus.

The average loss on open credit sales of those stores which relied wholly on the credit bureaus was 0.6 per cent, of those which used credit bureaus and supplemented their use with investigations of their own 0.6 per cent, and of those which did not use credit bureaus 0.7 per cent.

SOURCE OF CREDIT INFORMATION OF COAL, WOOD, LUMBER, AND BUILDING-MATERIAL DEALERS IN 1927

Classification	Dealers	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Dealers using credit bureaus and making no investigations of their own (24 dealers, 13 per cent), open credit	24	0.6	0.5
Dealers using credit bureaus and also making investigations of their own (135 dealers, 73 per cent):			
Open credit	134	.6	.5
Installment credit	5	.2	.1
Dealers not making use of credit bureaus (26 dealers, 14 per cent):			
Open credit	26	.7	.5
Installment credit	1	3.6	.5

CHAIN STORES

Of the total of 185 coal, wood, lumber, and building-material dealers doing credit business, 3 of them, or 1.6 per cent, were members of chain organizations and 184, or 98.4 per cent, were not. The individual establishment decided the question whether it was a chain establishment.

The average open credit loss of both types was 0.6 per cent.

LOSSES FROM BAD DEBTS OF CHAIN COAL, WOOD, LUMBER, AND BUILDING-MATERIAL DEALERS COMPARED WITH THOSE OF OTHER SUCH DEALERS IN 1927

Type	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Chain coal, wood, lumber, and building-material dealers (3 dealers, 1.6 per cent), open credit	3	0.6	0.5
All others (184 dealers, 98.4 per cent):			
Open credit	183	.6	.5
Installment credit	9	.2	.09

RETURNS AND ALLOWANCES

The percentage of returns and allowances on cash and open credit sales, respectively, were 1 per cent of gross cash sales and 1.5 per cent of gross open credit sales.

There were 41 dealers with individual returns and allowance percentages on open credit sales of less than 2 per cent. At the other extreme were two dealers with 10 per cent or more.

RETURNS AND ALLOWANCES OF COAL, WOOD, LUMBER, AND BUILDING-MATERIAL DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Cash sales		Open credit sales	
	Dealers	Per cent returns and allowances	Dealers	Per cent returns and allowances
SALES VOLUME				
Less than $25,000	3	9.3	4	3.8
$25,000 to $49,999	1	.7	1	1.5
$50,000 to $99,999	2	.7	11	1.4
$100,000 to $249,999	4	7.9	17	2.4
$250,000 to $499,999	5	.2	13	1.7
$500,000 and over	2	.2	12	1.3
REGION				
New England			4	1.4
Central Atlantic	1	.6	7	2.0
Midwest	8	1.4	25	2.1
Southeast			2	.4
Gulf Southwest	2	.2	5	.4
West Midcontinent	1	.3	2	1.8
Central Northwest			1	6.5
Pacific Northwest			3	4.1
Pacific Southwest	5	.4	9	1.2
Total	17	1.0	58	1.5

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF COAL, WOOD, LUMBER, AND BUILDING-MATERIAL DEALERS IN 1927

[Percentages based on gross sales]

Sales volume	Total dealers	Dealers having returns and allowances—					
		Less than 2 per cent	2 to 3.9 per cent	4 to 5.9 per cent	6 to 7.9 per cent	8 to 9.9 per cent	10 per cent and over
Less than $25,000	4	2				1	1
$25,000 to $49,999	1	1					
$50,000 to $99,999	11	8	3				
$100,000 to $249,999	17	12	2		2	1	
$250,000 to $499,999	13	8	3	1	1		
$500,000 and over	12	10		1			1
Total	58	41	8	2	3	2	2

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all stores to the outstanding balances due of the same stores when books were closed for the preceding month.

The open account collection percentage for the whole country was 44.2 per cent. September, with 49.1 per cent, had the highest average and February, with 37.3, had the lowest. The two dealers which reported from the Gulf Southwest States had the very high average of 77.3 per cent, and the three which reported from the Central Northwest States had the very low average of 22.5 per cent. These figures should not be taken as representative of the two sections of the country, but are presented to show the great differences among individual dealers in regard to their open credit collection policies.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF COAL, WOOD, LUMBER, AND BUILDING-MATERIAL DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Dealers	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $25,000														
$25,000 to $49,999	3	34.4	46.4	33.3	34.1	26.4	36.0	30.2	23.1	29.3	29.2	38.0	37.8	45.3
$50,000 to $99,999	12	27.6	21.2	26.1	23.1	24.7	20.7	33.1	28.7	30.6	29.9	28.8	27.0	29.3
$100,000 to $249,999	27	37.3	39.1	34.2	36.5	34.1	32.4	34.3	39.9	38.1	39.4	42.3	39.2	37.5
$250,000 to $499,999	15	47.0	49.7	38.6	40.4	41.1	44.7	47.3	48.8	47.9	47.1	54.4	49.9	51.4
$500,000 and over	11	47.1	42.1	39.1	45.9	46.7	47.0	48.8	49.8	49.4	54.6	49.1	44.4	44.9
REGION														
New England	7	41.0	40.0	36.0	36.6	35.0	41.5	46.1	44.6	40.7	41.7	42.5	38.2	46.8
Central Atlantic	10	38.2	37.7	34.0	34.5	36.7	37.7	41.0	39.3	36.8	37.2	47.7	36.2	37.4
Midwest	33	43.5	42.7	36.0	43.2	42.7	43.4	42.9	47.2	45.7	47.0	45.4	41.8	41.8
Southeast	2	63.3	50.5	52.8	56.4	58.4	57.8	66.6	65.7	59.9	82.3	70.8	63.6	61.7
Gulf Southwest	2	77.3	82.7	72.8	69.1	64.6	68.7	70.9	81.1	87.2	81.2	81.1	81.5	80.2
West Midcontinent	4	33.1	35.9	32.7	29.9	27.9	27.6	31.5	29.4	33.1	33.4	37.3	41.7	35.6
Central Northwest	3	22.5	22.6	20.4	20.3	19.8	14.7	16.8	22.5	21.0	24.3	29.6	27.7	26.8
Pacific Northwest	1	61.9	64.9	56.6	57.4	53.5	46.9	65.2	44.8	58.4	70.1	52.1	98.3	71.3
Pacific Southwest	6	39.9	37.4	34.2	37.4	38.2	38.2	41.3	39.8	43.1	39.4	45.2	41.9	43.8
Total	68	44.2	42.0	37.3	41.6	41.8	42.6	44.8	46.7	46.3	49.1	48.0	43.7	44.1

PAINT, OIL, AND VARNISH STORES

KINDS AND EXTENT OF CREDIT

Reports from 203 paint, oil, and varnish stores with total net sales in 1927 of $24,548,342 indicate that 28.8 per cent of this amount was for cash, 70.6 per cent on open credit, and 0.6 per cent on installment credit.

Of the total of 203 stores, 5 sold for cash only, 192 sold for cash and open credit only, and 6 sold for cash, open credit, and installment credit.

On the basis of reports from 81 stores reporting for 1925, 1926, and 1927, it was found that cash sales increased 9.1 per cent in 1927 over those of 1925 and open credit sales decreased 3.7 per cent.

On the whole, the smaller stores did a larger proportion of their business on a cash basis than the larger ones. The group with sales less than $25,000 did 51.9 per cent of total business on a cash basis. The group with sales of $250,000 to $499,999 had the lowest average, which was 14.9 per cent.

KINDS AND EXTENT OF CREDIT BUSINESS OF 203 PAINT, OIL, AND VARNISH STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (5 stores)	41			41
Cash and open credit only (192 stores)	6,331	16,164		22,495
Cash, open credit, and installment credit (6 stores)	699	1,175	138	2,012
Total sales (203 stores)	7,071	17,339	138	24,548
Per cent of total sales	28.8	70.6	0.6	100

KINDS AND EXTENT OF CREDIT BUSINESS OF 81 PAINT, OIL, AND VARNISH STORES IN 1925, 1926, and 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Total
1925:			
Volume of sales	3,061	8,312	11,373
Per cent of total sales	26.9	73.1	100
1926:			
Volume of sales	3,194	8,202	11,396
Per cent of total sales	28.0	72.0	100
1927:			
Volume of sales	3,342	8,010	11,352
Per cent of total sales	29.4	70.6	100
Per cent change in volume of sales:			
1926 over 1925	+4.3	−1.4	+0.2
1927 over 1926	+4.6	−2.4	−0.4
1927 over 1925	+9.1	−3.7	−0.2

KINDS AND EXTENT OF CREDIT BUSINESS OF 198 PAINT, OIL, AND VARNISH STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $25,000	36	51.9	47.8	0.3
$25,000 to $49,999	53	46.2	53.3	.5
$50,000 to $99,999	58	35.3	64.7	
$100,000 to $249,999	29	21.1	78.7	.2
$250,000 to $499,999	14	14.9	85.1	
$500,000 and over	8	31.3	67.4	1.3
REGION				
New England	10	19.0	80.5	.5
Central Atlantic	32	28.5	71.5	
Midwest	63	28.5	71.3	.2
Southeast	16	19.5	80.3	.2
Gulf Southwest	23	36.6	61.5	1.9
West Midcontinent	17	42.8	57.2	
Central Northwest	6	35.7	64.3	
Pacific Northwest	6	11.1	88.9	
Pacific Southwest	25	18.4	81.6	
Total	198	28.7	70.7	.6

CREDIT LOSSES

The average loss from bad debts on open credit sales of 198 paint, oil, and varnish stores was 1.1 per cent; the average loss on installment credit sales was 0.8 per cent.

Open credit losses varied inversely with the size of stores; that is, the larger the stores the smaller the loss percentages. The range was from an average of 2.2 per cent for the group with sales less than $25,000 to 0.7 per cent for the group with sales of $500,000 and over.

The data show great differences among individual stores in regard to their bad-debt losses. There were 35 stores with losses on open credit sales less than 0.2 per cent. At the other extreme were 17 stores with losses on open credit sales of 5 per cent or more. The latter stores thus had open credit losses at least twenty-five times as great proportionately as the former ones.

LOSSES FROM BAD DEBTS OF 198 PAINT, OIL, AND VARNISH STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $25,000	36	2.2	1.0	1		
$25,000 to $49,999	53	1.8	.9	3		
$50,000 to $99,999	58	1.5	1.0			
$100,000 to $249,999	29	1.0	.7	1	1.0	0.05
$250,000 to $499,999	14	1.2	1.0			
$500,000 and over	8	.7	.4	1	.9	.06
REGION						
New England	10	.6	.5	1		
Central Atlantic	32	.9	.6			
Midwest	63	.6	.4	3	.8	.03
Southeast	16	5.9	4.8	1		
Gulf Southwest	23	1.0	.6	1	.9	.06
West Midcontinent	17	.9	.5			
Central Northwest	6	1.1	.7			
Pacific Northwest	6	.5	.4			
Pacific Southwest	25	1.2	.9			
Total	198	1.1	.7	6	.8	.06

PAINT, OIL, AND VARNISH STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total stores	Size group (sales volume)					
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 and over
Less than 0.2 per cent	35	7	14	11	1	1	1
0.2 to 0.29 per cent	8		2	3	1	1	1
0.3 to 0.39 per cent	11		1	2	2	5	1
0.4 to 0.49 per cent	10	1	1	3	3	2	
0.5 to 0.59 per cent	7	2	2	1	1	1	
0.6 to 0.69 per cent	15	3	1	5	4	1	1
0.7 to 0.79 per cent	8	1		2	4	1	
0.8 to 0.89 per cent	10	1	3	3	1		2
0.9 to 0.99 per cent	9	1	2	2	4		
1 to 1.4 per cent	26	3	9	10	2		2
1.5 to 1.9 per cent	18	1	7	6	4		
2 to 2.9 per cent	14	6	4	3		1	
3 to 3.9 per cent	6	3	1		2		
4 to 4.9 per cent	4	1		3			
5 per cent and over	17	6	6	4		1	
Total	198	36	53	58	29	14	8

USE OF CREDIT BUREAUS

Of the 189 paint, oil, and varnish stores which supplied information on the use of credit bureaus, 158 of them, or 83.6 per cent, made use of credit bureaus as compared with 31 stores, or 16.4 per cent, which did not.

Of the 189 stores which reported on the subject of making credit investigations of their own, 38 stores, or 20.1 per cent, relied wholly on the credit bureaus for information; 120, or 63.5 per cent, supplemented the use of credit bureaus with investigations of their own; and 31, or 16.4 per cent, made no use of credit bureaus.

The average loss on open credit sales of those stores which relied wholly on the credit bureaus was 1.1 per cent, of those which used credit bureaus and supplemented their use with investigations of their own, 1 per cent, and of those which did not use credit bureaus, 2.2 per cent.

SOURCE OF CREDIT INFORMATION OF PAINT, OIL, AND VARNISH STORES IN 1927

Classification	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
Stores using credit bureaus and making no investigations of their own (38 stores, 20.1 per cent):		*Per cent*	*Per cent*
Open credit	38	1.1	0.8
Installment credit	1		
Stores using credit bureaus and also making investigations of their own (120 stores, 63.5 per cent):			
Open credit	120	1.0	.7
Installment credit	2	.9	.06
Stores not making use of credit bureaus (31 stores, 16.4 per cent):			
Open credit	31	2.2	1.1
Installment credit	2		

108701—30——5

CHAIN STORES

Of the total of 198 paint, oil, and varnish stores doing credit business, 13 of them, or 6.6 per cent, were chain stores and 185, or 93.4 per cent, were not. The individual store decided the question whether it was a chain store.

The average open credit loss of the chain stores was 0.8 per cent and of other stores was 1.1 per cent.

LOSSES FROM BAD DEBTS OF CHAIN PAINT, OIL, AND VARNISH STORES COMPARED WITH THOSE OF OTHER PAINT, OIL, AND VARNISH STORES IN 1927

Type	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Chain paint, oil, and varnish stores (13 stores, 6.6 per cent), open credit	13	0.8	0.6
All others (185 stores, 93.4 per cent):			
Open credit	185	1.1	.8
Installment credit	6	.8	.06

RETURNS AND ALLOWANCES

The percentage of returns and allowances on cash and open credit sales, respectively, were 2.9 per cent of gross cash sales and 3.6 per cent of gross open credit sales.

There were 34 stores with individual returns and allowance percentages of less than 2 per cent. At the other extreme were 5 stores with 10 per cent or more.

RETURNS AND ALLOWANCES OF PAINT, OIL, AND VARNISH STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Cash sales		Open credit sales	
	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances
SALES VOLUME				
Less than $25,000	11	2.7	10	4.5
$25,000 to $49,999	14	2.6	21	3.8
$50,000 to $99,999	23	4.2	29	3.3
$100,000 to $249,999	10	2.7	21	3.3
$250,000 to $499,999	5	2.4	9	4.9
$500,000 and over	2	1.0	5	2.8
REGION				
New England	3	1.7	5	5.0
Central Atlantic	9	4.0	15	3.0
Midwest	25	3.7	33	3.1
Southeast	5	1.8	8	3.7
Gulf Southwest	7	1.8	10	3.3
West Midcontinent	2	3.3	3	5.8
Central Northwest	2	.7	3	2.9
Pacific Northwest	3	3.0	4	3.2
Pacific Southwest	9	3.0	14	6.0
Total	65	2.9	95	3.6

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF PAINT, OIL, AND VARNISH STORES IN 1927

[Percentages based on gross sales]

Sales volume	Total stores	Stores having returns and allowances—					
		Less than 2 per cent	2 to 3.9 per cent	4 to 5.9 per cent	6 to 7.9 per cent	8 to 9.9 per cent	10 per cent and over
Less than $25,000	10	5	3	1			1
$25,000 to $49,999	21	8	7	3		1	2
$50,000 to $99,999	29	12	5	7	5		
$100,000 to $249,999	21	8	5	6	1	1	
$250,000 to $499,999	9	1	4	1	1		2
$500,000 and over	5		5				
Total	95	34	29	18	7	2	5

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all stores to the outstanding balances due of the same stores when books were closed for the preceding month.

The open account collection percentage for the whole country was 43.7 per cent. June, with 46.9 per cent, had the highest average, and February, with 38.9 per cent, had the lowest.

The Gulf Southwest States, represented by 8 stores, had the highest average, which was 61.7 per cent, and the Southeast States, represented by 7 dealers, had the lowest, 28.7 per cent.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF PAINT, OIL AND VARNISH STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $25,000	8	34.9	40.7	29.8	40.1	40.0	36.5	34.1	38.7	32.2	32.6	32.6	36.4	26.4
$25,000 to $49,999	16	34.5	31.8	31.4	30.4	34.5	36.7	38.7	36.3	37.7	33.2	34.8	32.6	34.2
$50,000 to $99,999	29	35.6	27.8	32.2	34.1	38.9	38.7	40.1	37.6	33.6	34.3	42.5	33.7	31.6
$100,000 to $249,999	24	40.4	34.0	33.0	41.1	44.5	44.4	44.5	40.6	41.7	40.1	40.3	37.3	38.9
$250,000 to $499,999	7	43.0	40.1	37.2	39.5	43.9	46.8	48.6	44.6	45.7	42.7	43.4	41.4	39.8
$500,000 and over	6	51.7	51.4	47.4	51.9	48.6	51.4	52.6	54.0	52.7	51.3	56.6	49.8	52.2
REGION														
New England	5	35.0	32.2	29.9	35.8	35.2	34.8	38.6	35.2	35.5	32.4	39.4	30.6	38.3
Central Atlantic	15	47.1	48.4	43.4	51.5	50.0	50.3	49.5	44.8	45.7	45.7	46.1	44.0	46.4
Midwest	28	40.9	35.0	31.1	36.3	46.1	45.7	49.0	43.2	42.3	38.8	43.1	38.4	34.7
Southeast	7	28.7	25.8	26.8	24.8	26.4	27.4	29.0	31.1	33.1	28.3	30.8	33.0	27.4
Gulf Southwest	8	61.7	60.6	57.6	60.3	56.3	57.3	60.4	63.2	67.1	66.7	66.4	64.4	61.7
West Midcontinent	4	35.8	33.7	34.6	35.6	32.7	33.6	36.4	34.8	39.6	39.8	34.0	34.8	39.2
Central Northwest	5	37.7	27.1	20.6	28.9	26.9	45.5	37.0	38.7	38.4	40.3	53.5	40.1	43.5
Pacific Northwest	3	44.5	30.8	40.7	42.5	51.2	51.0	46.6	43.7	45.4	49.7	48.6	39.0	36.2
Pacific Southwest	15	42.1	38.3	40.8	41.4	41.1	43.4	44.0	47.8	41.2	39.9	45.9	38.7	41.5
Total	90	43.7	39.6	38.9	43.2	44.6	46.0	46.9	45.0	44.5	43.1	46.6	41.6	42.3

PLUMBING AND HEATING FIXTURES AND SUPPLY DEALERS

KINDS AND EXTENT OF CREDIT

Reports from 731 plumbing and heating fixtures and supply dealers with total net sales in 1927 of $32,468,642 indicate that 4 per cent of this amount was for cash, 70.7 per cent on open credit, and 25.3 per cent on installment credit.

Of the total of 731 dealers, 9 sold for cash only, 160 sold for cash and open credit only, 9 sold for cash and installment credit only, and 553 sold for cash, open credit, and installment credit.

On the basis of reports from 87 dealers reporting for 1925, 1926, and 1927, it was found that cash sales in 1927 increased 14 per cent over those of 1925, open credit sales increased 5.5 per cent, and installment sales increased 12.6 per cent.

The smaller dealers did a slightly larger proportion of their business on a cash basis than the larger ones. The range was from an average of 9.5 per cent on a cash basis for the smallest dealers to 5.4 per cent for the largest dealers.

The Central Atlantic States (54 dealers reporting) did 13 per cent of total business on a cash basis, which was the highest average of all the geographical districts; the Pacific Northwest States (8 dealers reporting) did 1.5 per cent, the lowest average.

KINDS AND EXTENT OF CREDIT BUSINESS OF 731 PLUMBING AND HEATING FIXTURES AND SUPPLY DEALERS IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (9 dealers)	154			154
Cash and open credit only (160 dealers)	614	10,815		11,429
Cash and installment credit (9 dealers)	100		479	579
Cash, open credit, and installment credit (553 dealers)	441	12,151	7,714	20,306
Total sales	1,309	22,966	8,193	32,468
Per cent of total sales	4.0	70.7	25.3	100

KINDS AND EXTENT OF CREDIT BUSINESS OF 87 PLUMBING AND HEATING FIXTURES AND SUPPLY DEALERS IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Installment credit	Total
1925:				
Volume of sales	449	8,807	450	9,706
Per cent of total sales	4.6	90.7	4.7	100
1926:				
Volume of sales	462	9,274	390	10,126
Per cent of total sales	4.6	91.6	3.8	100
1927:				
Volume of sales	512	9,296	507	10,315
Per cent of total sales	5.0	90.1	4.9	100
Per cent change in volume of sales:				
1926 over 1925	+2.8	+5.3	−13.4	+4.3
1927 over 1926	+10.8	+.2	+30.0	+1.8
1927 over 1925	+14.0	+5.5	+12.6	+6.2

KINDS AND EXTENT OF CREDIT BUSINESS OF 222 PLUMBING AND HEATING FIXTURES AND SUPPLY DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Dealers	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $25,000	69	9.5	81.6	8.9
$25,000 to $49,999	54	7.0	84.7	8.3
$50,000 to $99,999	54	7.3	83.0	9.7
$100,000 to $249,999	38	5.6	86.6	7.8
$250,000 and over	7	5.4	92.1	2.5
REGION				
New England	19	5.3	85.3	9.4
Central Atlantic	54	13.0	78.2	8.8
Midwest	63	5.1	91.7	3.2
Southeast	12	7.2	88.7	4.1
Gulf Southwest	16	4.7	91.4	3.9
West Midcontinent	18	2.0	92.4	5.6
Central Northwest	10	9.3	81.9	8.8
Pacific Northwest	8	1.5	65.4	33.1
Pacific Southwest	22	5.7	91.2	3.1
Total	222	6.4	86.9	6.7

CREDIT LOSSES

The average loss from bad debts on open credit sales of 213 plumbing and heating fixtures and supply dealers was 0.9 per cent; the average loss on installment credit sales was 0.8 per cent.

Open credit losses varied inversely with the size of establishments; that is, the larger the establishments the smaller the loss percentages. The range was from an average of 1.6 per cent for the smallest stores to 0.6 per cent for the largest stores.

The data show great differences among individual establishments in regard to their bad-debt losses. There were 62 dealers with losses on open credit sales less than 0.2 per cent. At the other extreme were 16 dealers with losses on open credit sales of 5 per cent or more. The latter dealers thus had open credit losses at least twenty five times as great as the former. There were 39 dealers with losses on installment credit sales less than 0.2 per cent and 4 with losses of 5 per cent or more.

LOSSES FROM BAD DEBTS OF 222 PLUMBING AND HEATING FIXTURES AND SUPPLY DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Dealers	Ratio bad debts to credit sales	Ratio bad debts to total sales	Dealers	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $25,000	66	1.6	1.4	20	0.3	0.1
$25,000 to $49,999	52	1.2	1.0	11	.5	.2
$50,000 to $99,999	51	.9	.8	19	1.4	.4
$100,000 to $249,999	37	.9	.8	10	.6	.1
$250,000 and over	7	.6	.5	1	.04	.002
REGION						
New England	17	1.4	1.3	5	1.3	.6
Central Atlantic	52	1.1	.9	19	.8	.2
Midwest	61	.6	.5	16	1.4	.2
Southeast	12	4.6	4.1	3	3.2	.6
Gulf Southwest	16	.9	.9	5	1.5	.2
West Midcontinent	18	.3	.3	5	.3	.02
Central Northwest	9	1.2	1.0	3	.5	.3
Pacific Northwest	7	.5	.4	2	.3	.2
Pacific Southwest	21	.6	.5	3	.1	.04
Total	213	.9	.8	61	.8	.1

PLUMBING AND HEATING FIXTURES AND SUPPLY DEALERS GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total dealers	Size group (sales volume)				
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
Less than 0.2 per cent	62	22	18	10	11	1
0.2 to 0.29 per cent	16	3	2	6	5	
0.3 to 0.39 per cent	8	2		4	1	1
0.4 to 0.49 per cent	12	1	3	5	3	
0.5 to 0.59 per cent	15	3	3	6	3	
0.6 to 0.69 per cent	4		2	1	1	
0.7 to 0.79 per cent	11	2	1	4	3	1
0.8 to 0.89 per cent	7	1	5		1	
0.9 to 0.99 per cent	6	1	2	1	2	
1 to 1.4 per cent	19	8	4	3	1	3
1.5 to 1.9 per cent	15	9		4	2	
2 to 2.9 per cent	12	3	5	3		1
3 to 3.9 per cent	5	2	2		1	
4 to 4.9 per cent	5	2	1	2		
5 per cent and over	16	7	4	2	3	
Total	213	66	52	51	37	7

PLUMBING AND HEATING FIXTURES AND SUPPLY DEALERS GROUPED ACCORDING TO SIZE OF INSTALLMENT CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on installment accounts to installment account sales]

Ratio of loss	Total dealers	Size group (sales volume)				
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
Less than 0.2 per cent	39	18	8	8	4	1
0.2 to 0.29 per cent						
0.3 to 0.39 per cent	1			1		
0.4 to 0.49 per cent	2				2	
0.5 to 0.59 per cent						
0.6 to 0.69 per cent	3	1	1	1		
0.7 to 0.79 per cent						
0.8 to 0.89 per cent	1			1		
0.9 to 0.99 per cent						
1 to 1.4 per cent						
1.5 to 1.9 per cent	1			1		
2 to 2.9 per cent	4	1		2	1	
3 to 3.9 per cent	3		1	1	1	
4 to 4.9 per cent	3			3		
5 per cent and over	4		1	1	2	
Total	61	20	11	19	10	1

TERMS ON INSTALLMENT SALES

The table on terms shows great diversity among dealers in regard to terms. The range in deposit required was from nothing to more than 33⅓ per cent. The range in life of contract was from 6 months or less to 30 months.

TERMS AND LOSS RATIO ON INSTALLMENT SALES OF 55 PLUMBING AND HEATING FIXTURES AND SUPPLY DEALERS

Deposit required	Life of contract, in months	Dealers	Installment credit	
			Ratio bad debts to credit sales	Ratio bad debts to total sales
			Per cent	*Per cent*
None	7 to 12	1		
10 per cent or less	6 or less	1	0.04	0.002
	6 or less to 12	1		
	6 or less to 18	1		
	7 to 12	9	1.3	.6
	7 to 18	3	1.1	.3
	19 to 24	1		
10 per cent or less to 25 per cent	6 or less	1		
	6 or less to 12	3	1.3	.1
	6 or less to 30	1	2.3	.2
	7 to 12	3	1.7	.4
10 per cent or less to 33⅓ per cent	do	1	7.6	.5
11 to 24 per cent	6 or less to 12	1		
	6 or less to 18	1		
	7 to 12	6	.9	.2
	13 to 18	1	.6	.2
25 per cent	6 or less	1	1.5	1.4
	7 to 12	8	.4	.1
30 to 33⅓ per cent	6 or less	2		
	7 to 12	2		
30 to more than 33⅓ per cent	do	1	3.5	.3
More than 33⅓	6 or less	3		
	7 to 12	2		
	7 to 24	1		

USE OF CREDIT BUREAUS

Of the total of 215 dealers which supplied information on the use of credit bureaus, 154 of them, or 71.7 per cent, made use of credit bureaus, as compared with 61, or 28.3 per cent, which did not.

Of the 215 dealers which reported on the subject of making credit investigations of their own, 47 of them, or 21.9 per cent, relied wholly on the use of credit bureaus for information; 107, or 49.8 per cent, supplemented the use of credit bureaus with investigations of their own; and 61, or 28.3 per cent, made no use of credit bureaus.

The average loss on open credit sales of those stores which relied wholly on the credit bureaus was 0.8 per cent, of those which used credit bureaus and supplemented their use with investigations of their own 0.9 per cent, and of those which did not use credit bureaus 0.9 per cent. The average loss on installment sales of the first group (12 dealers reporting) was 0.7 per cent, of the second group (35 dealers reporting) 0.8 per cent, and of the third (14 dealers reporting) 0.5 per cent.

SOURCE OF CREDIT INFORMATION OF PLUMBING AND HEATING FIXTURES AND SUPPLY DEALERS IN 1927

Classification	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Dealers using credit bureaus and making no investigations of their own (47 dealers, 21.9 per cent):			
Open credit	44	0.8	0.7
Installment credit	12	.7	.2
Dealers using credit bureaus and also making investigations of their own (107 dealers, 49.8 per cent):			
Open credit	104	.9	.8
Installment credit	35	.8	.1
Dealers not making use of credit bureaus (61 dealers, 28.3 per cent):			
Open credit	58	.9	.8
Installment credit	14	.5	.1

CHAIN ORGANIZATIONS

Of the total of 222 dealers doing credit business, 2 of them, or 0.9 per cent, were members of chain organizations and 220, or 99.1 per cent, were not. The individual establishment decided the question whether it was a member of a chain organization.

LOSSES FROM BAD DEBTS OF CHAIN PLUMBING AND HEATING FIXTURES AND SUPPLY DEALERS COMPARED WITH THOSE OF OTHER SUCH DEALERS IN 1927

Type	Dealers	Ratio of bad debts to—	
		Credit sales	Total sales
Chain plumbing and heating fixtures and supply dealers (2 dealers, 0.9 per cent):		*Per cent*	*Per cent*
Open credit	1	1.6	0.2
Installment credit	2	2.6	1.9
All others (220 dealers, 99.1 per cent):			
Open credit	212	.9	.8
Installment credit	60	.7	.1

RETURNS AND ALLOWANCES

The percentage of returns and allowances on cash, open credit, and installment credit sales, respectively, were 2.1 per cent of gross cash sales, 1.8 per cent of gross open credit sales, and 5.6 per cent of gross installment credit sales.

There were 47 dealers with individual returns and allowance percentages on open credit sales of less than 2 per cent. At the other extreme were 2 dealers with 10 per cent or more.

RETURNS AND ALLOWANCES OF PLUMBING AND HEATING FIXTURES AND SUPPLY DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Cash		Open credit		Installment credit	
	Dealers	Per cent returns and allowances	Dealers	Per cent returns and allowances	Dealers	Per cent returns and allowances
SALES VOLUME						
Less than $25,000	7	7.1	19	4.2	2	2.3
$25,000 to $49,999	6	3.6	13	1.3	4	1.7
$50,000 to $99,999	5	.8	15	.9	4	7.3
$100,000 to $249,999	6	1.7	20	2.0	5	3.7
$250,000 and over	1	1.1	5	1.7	1	8.3
REGION						
New England	2	6.9	3	2.7	3	11.1
Central Atlantic	4	2.0	22	1.8	4	2.0
Midwest	7	2.1	17	2.1	3	11.0
Southeast	1	.5	1	5.7		
Gulf Southwest	1	1.6	7	2.3		
West Midcontinent	3	3.4	8	1.4	3	6.1
Central Northwest	4	.6	5	1.8	2	.5
Pacific Northwest			1	.01	1	2.4
Pacific Southwest	3	1.6	8	1.4		
Total	25	2.1	72	1.8	16	5.6

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF PLUMBING AND HEATING FIXTURES AND SUPPLY DEALERS IN 1927

[Percentages based on gross sales]

Sales volume	Total stores	Dealers having returns and allowances—					
		Less than 2 per cent	2 to 3.9 per cent	4 to 5.9 per cent	6 to 7.9 per cent	8 to 9.9 per cent	10 per cent and over
Less than $25,000	19	10	5	2			2
$25,000 to $49,999	13	9	2	2			
$50,000 to $99,999	15	13	2				
$100,000 to $249,999	20	12	4	4			
$250,000 and over	5	3	2				
Total	72	47	15	8			2

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all dealers to the outstanding balances due of the same stores when books were closed for the preceding month.

The open account collection percentage for the whole country was 50.3 per cent. December, with 53.8 per cent, had the highest average, and February, with 45.1 per cent, had the lowest.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF PLUMBING AND HEATING FIXTURES AND SUPPLY DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Dealers	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $25,000	12	39.0	35.6	31.8	35.3	34.9	44.1	38.9	39.2	36.6	33.0	45.5	50.1	42.9
$25,000 to $49,999	14	40.1	40.3	28.4	25.0	31.0	47.6	42.4	46.2	45.2	35.7	42.8	48.6	45.4
$50,000 to $99,999	18	44.5	34.3	42.9	50.1	45.5	43.2	48.2	46.3	47.4	36.5	50.5	45.8	46.6
$100,000 to $249,999	12	43.9	47.6	36.1	43.4	46.0	42.6	41.1	40.6	42.7	41.6	48.2	48.6	48.6
$250,000 and over	2	66.5	67.5	67.0	69.5	64.4	68.1	64.4	62.8	65.1	70.2	66.9	64.2	69.0
REGION														
New England	6	32.5	20.5	30.9	29.1	26.4	36.0	39.3	35.5	36.5	33.7	36.9	30.0	34.9
Central Atlantic	15	43.8	44.4	33.9	43.5	40.6	42.2	39.9	38.2	46.2	40.3	48.5	54.7	50.9
Midwest	13	51.4	35.1	39.9	43.3	53.9	49.8	55.7	58.0	62.2	55.3	61.9	50.5	49.0
Southeast														
Gulf Southwest	5	53.9	49.0	55.9	57.3	39.2	73.6	56.8	60.0	47.4	56.5	55.9	49.5	45.8
West Midcontinent	2	70.0	71.4	67.9	76.8	68.8	74.4	70.7	66.7	67.9	72.2	69.1	64.5	71.1
Central Northwest	4	43.9	42.8	36.7	30.4	35.6	31.8	35.3	40.1	42.2	44.1	55.5	57.1	57.5
Pacific Northwest	2	30.7	19.4	20.3	18.0	22.4	33.5	37.7	32.8	32.5	26.4	30.8	54.1	31.2
Pacific Southwest	11	40.8	43.5	41.6	46.8	46.4	43.7	37.9	38.3	35.8	31.4	39.6	42.6	47.9
Total	58	50.3	48.0	45.1	50.5	50.0	51.3	50.1	49.0	50.5	47.7	53.6	52.7	53.8

STOVE AND RANGE STORES

KINDS AND EXTENT OF CREDIT

Reports from 22 stove and range stores with total net sales in 1927 of $1,229,131 indicate that 12.6 per cent of this amount was for cash, 14.2 per cent on open credit, and 73.2 per cent on installment credit.

Of the total of 22 stores, 2 sold for cash only, 7 sold for cash and installment credit only, and 13 sold for cash, open credit, and installment credit.

One of the stores which sold for cash and installments did 99.5 per cent of its business on installments, and another did 98.9 per cent.

KINDS AND EXTENT OF CREDIT BUSINESS OF 22 STOVE AND RANGE STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (2 stores)	66	*		66
Cash and installment credit only (7 stores)	11		539	550
Cash, open credit, and installment credit (13 stores)	78	175	360	613
Total sales	155	175	899	1,229
Per cent of total sales	12.6	14.2	73.2	100

KINDS AND EXTENT OF CREDIT BUSINESS OF 20 STOVE AND RANGE DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Dealers	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $10,000	2	5.2	21.9	72.9
$10,000 to $24,999	5	9.5	37.5	53.0
$25,000 to $49,999	4	23.6	18.1	58.3
$50,000 to $99,999	6	7.8	17.3	74.9
$100,000 to $249,999	2	6.6	17.9	75.5
$250,000 and over	1			100.0
REGION				
New England	1	1.7	29.5	68.8
Central Atlantic	1	52.5	29.3	18.2
Midwest	6	17.5	51.1	31.4
Southeast	1	.5		99.5
Gulf Southwest	2	8.5		91.5
West Midcontinent	8	6.9	10.6	82.5
Central Northwest				
Pacific Northwest	1	1.1		98.9
Pacific Southwest				
Total	20	7.7	15.0	77.3

CREDIT LOSSES

The average loss from bad debts on open credit sales of stove and range dealers was 0.8 per cent; the average loss on installment credit sales was 1 per cent.

There were six dealers with open credit loss percentages of less than 0.2 per cent. At the other extreme was one dealer with a loss of over 5 per cent.

There were 10 dealers with installment credit loss percentages of less than 0.2 per cent. At the other extreme was one dealer with a loss between 4 and 4.9 per cent.

LOSSES FROM BAD DEBTS OF 20 STOVE AND RANGE DEALERS, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Dealers	Ratio bad debts to credit sales	Ratio bad debts to total sales	Dealers	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $10,000	2	3.3	0.7	2	1.0	0.7
$10,000 to $24,999	4	.6	.3	5	.2	.1
$25,000 to $49,999	2	1.3	.4	4	1.4	.8
$50,000 to $99,999	3	.7	.2	6	2.1	1.5
$100,000 to $249,999	2	.5	.09	2	.3	.2
$250,000 and over				1	.1	.1
REGION						
New England	1	.7	.2	1	.3	.2
Central Atlantic	1			1		
Midwest	6	1.2	.6	6	.2	.07
Southeast				1	2.3	2.3
Gulf Southwest				2	.9	.8
West Midcontinent	5	.3	.07	8	.6	.5
Central Northwest						
Pacific Northwest				1	4.0	4.0
Pacific Southwest						
Total	13	.8	.2	20	1.0	.7

STOVE AND RANGE DEALERS GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS IN 1927

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total dealers	Size group (sales volume)					
		Less than $10,000	$10,000 to $24,999	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
Less than 0.2 per cent	6	1	2		2	1	
0.2 to 0.29 per cent							
0.3 to 0.39 per cent							
0.4 to 0.49 per cent	1		1				
0.5 to 0.59 per cent							
0.6 to 0.69 per cent							
0.7 to 0.79 per cent	1					1	
0.8 to 0.89 per cent							
0.9 to 0.99 per cent							
1 to 1.4 per cent	1			1			
1.5 to 1.9 per cent	2			1	1		
2 to 2.9 per cent	1		1				
3 to 3.9 per cent							
4 to 4.9 per cent							
5 per cent and over	1	1					
Total	13	2	4	2	3	2	

STOVE AND RANGE DEALERS GROUPED ACCORDING TO SIZE OF INSTALLMENT CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on installment accounts to installment account sales]

Ratio of loss	Total dealers	Size group (sales volume)					
		Less than $10,000	$10,000 to $24,999	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
Less than 0.2 per cent	10	1	4	2	2		1
0.2 to 0.29 per cent	2				1	1	
0.3 to 0.39 per cent	1					1	
0.4 to 0.49 per cent							
0.5 to 0.59 per cent							
0.6 to 0.69 per cent	1			1			
0.7 to 0.79 per cent							
0.8 to 0.89 per cent							
0.9 to 0.99 per cent	1		1				
1 to 1.4 per cent							
1.5 to 1.9 per cent							
2 to 2.9 per cent	2	1			1		
3 to 3.9 per cent	2			1	1		
4 to 4.9 per cent	1				1		
5 per cent and over							
Total	20	2	5	4	6	2	1

HOUSE-FURNISHING STORES

KINDS AND EXTENT OF CREDIT

Reports from 49 house-furnishing stores with total net sales in 1927 of $4,191,919 indicate that 23.8 per cent of this amount was for cash, 70.7 per cent on open credit, and 5.5 per cent on installment credit.

Of the total of 49 stores, 14 sold for cash only, 29 sold for cash and open credit only, 2 sold for cash and installment credit only, and 4 sold for cash, open credit, and installment credit.

On the whole, the smaller stores did a larger proportion of their business on a cash basis than the larger ones. The group with sales less than $25,000 (eight stores reporting) did 45.7 per cent of total business on a cash basis, which was the highest average of all the groups. The group with sales between $100,000 and $249,999 (seven stores reporting) had the lowest average, which was 8 per cent.

KINDS AND EXTENT OF CREDIT BUSINESS OF 49 HOUSE-FURNISHING STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (14 stores)	407			407
Cash and open credit only (29 stores)	506	2,920		3,426
Cash and installment credit only (2 stores)	9		127	136
Cash, open credit, and installment credit (4 stores)	76	43	103	222
Total sales (49 stores)	998	2,963	230	4,191
Per cent of total sales	23.8	70.7	5.5	100

KINDS AND EXTENT OF CREDIT BUSINESS OF 35 HOUSE-FURNISHING STORES, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales	Per cent installment credit sales
SALES VOLUME				
Less than $25,000	8	45.7	51.6	2.7
$25,000 to $49,999	10	39.0	55.1	5.9
$50,000 to $99,999	6	10.7	78.6	10.7
$100,000 to $249,999	7	8.0	77.8	14.2
$250,000 and over	4	14.4	85.6	
REGION				
New England	3	9.9	90.1	
Central Atlantic	5	3.1	94.8	2.1
Midwest	15	27.4	62.6	10.0
Southeast				
Gulf Southwest	4	4.0	96.0	
West Midcontinent	1	9.4	90.6	
Central Northwest	3	16.4	49.3	34.3
Pacific Northwest				
Pacific Southwest	4	22.1	77.0	.9
Total	35	15.6	78.3	6.1

CREDIT LOSSES

The average loss from bad debts on open credit sales of 33 house-furnishing stores was 0.7 per cent; the average loss on installment credit sales (six stores reporting) was 2.2 per cent.

The data show great differences among individual stores in regard to their bad-debt losses. There were eight with losses on open credit sales less than 0.2 per cent. At the other extreme were three stores with losses on open credit sales of 5 per cent or more. The latter stores thus had open credit losses at least twenty-five times as great proportionately as the former ones.

LOSSES FROM BAD DEBTS OF 35 HOUSE-FURNISHING STORES, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $25,000	8	0.5	0.2	2		
$25,000 to $49,999	9	1.5	.8	1	6.2	4.9
$50,000 to $99,999	6	.6	.4	1	2.4	1.4
$100,000 to $249,999	6	1.0	.8	2	1.6	1.1
$250,000 and over	4	.4	.4			
REGION						
New England	3	.2	.2			
Central Atlantic	4	.3	.3	1	6.2	4.9
Midwest	14	.7	.4	3	1.6	1.1
Southeast						
Gulf Southwest	4	.5	.5			
West Midcontinent	1	.9	.8			
Central Northwest	3	.7	.3	1	2.4	1.4
Pacific Northwest						
Pacific Southwest	4	2.5	1.9	1		
Total	33	.7	.5	6	2.2	1.4

HOUSE-FURNISHING STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total stores	Size group (sales volume)				
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
Less than 0.2 per cent	8	6		1	1	
0.2 to 0.29 per cent	3			1	2	
0.3 to 0.39 per cent	2				1	1
0.4 to 0.49 per cent	3		1	1		1
0.5 to 0.59 per cent	1		1			
0.6 to 0.69 per cent	4	1	1			2
0.7 to 0.79 per cent						
0.8 to 0.89 per cent						
0.9 to 0.99 per cent	1		1			
1 to 1.4 per cent	4			3	1	
1.5 to 1.9 per cent	1		1			
2 to 2.9 per cent	3	1	1		1	
3 to 3.9 per cent						
4 to 4.9 per cent						
5 per cent and over	3		3			
Total	33	8	9	6	6	4

MUSICAL-INSTRUMENT STORES

KINDS AND EXTENT OF CREDIT

Reports from 132 musical-instrument stores with total net sales in 1927 of $28,890,328 indicate that 17.1 per cent of this amount was for cash, 28.2 per cent on open credit, and 54.7 per cent on installment credit.

Of the total of 132 stores, 5 sold for cash only, 6 sold for cash and open credit only, 42 sold for cash and installment credit only, and 79 sold for cash, open credit, and installment credit.

On the basis of reports from 38 musical-instrument stores reporting for 1925, 1926, and 1927, it was found that cash sales increased 8.2 per cent in 1927 over 1925, open credit sales increased 0.8 per cent, and installment credit sales increased 2.2 per cent.

The smaller stores did a much larger proportion of their business on a cash basis than the larger ones. The smallest stores, those with annual net sales less than $25,000 (25 reporting), did 47 per cent of their business on a cash basis, whereas the group with sales of $100,000 to $249,999 (23 reporting) did 17.4 per cent on a cash basis.

KINDS AND EXTENT OF CREDIT BUSINESS OF 132 MUSICAL-INSTRUMENT STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (5 stores)	89			89
Cash and open credit only (6 stores)	115	98		213
Cash and installment credit only (42 stores)	755		3,602	4,357
Cash, open credit, and installment credit (79 stores)	3,979	8,058	12,194	24,231
Total sales (132 stores)	4,938	8,156	15,796	28,890
Per cent of total sales	17.1	28.2	54.7	100

KINDS AND EXTENT OF CREDIT BUSINESS OF 38 MUSICAL-INSTRUMENT STORES IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Installment credit	Total
1925:				
Volume of sales	1,592	2,361	7,575	11,528
Per cent of total sales	13.8	20.5	65.7	100
1926:				
Volume of sales	1,771	2,703	8,008	12,482
Per cent of total sales	14.2	21.7	64.1	100
1927:				
Volume of sales	1,723	2,382	7,746	11,851
Per cent of total sales	14.5	20.1	65.4	100
Per cent change in volume of sales:				
1926 over 1925	+11.2	+14.4	+5.7	+8.2
1927 over 1926	−2.8	−11.9	−3.3	−5.1
1927 over 1925	+8.2	+0.8	+2.2	+2.8

KINDS AND EXTENT OF CREDIT BUSINESS OF 112 MUSICAL-INSTRUMENT STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent open credit sales	Per cent installment sales
SALES VOLUME				
Less than $25,000	25	47.0	13.2	39.8
$25,000 to $49,999	19	39.5	9.9	50.6
$50,000 to $99,999	27	25.5	10.8	63.7
$100,000 to $249,999	23	17.4	11.9	70.7
$250,000 and over	18	21.3	19.8	58.9
REGION				
New England	3	28.8	29.2	42.0
Central Atlantic	24	34.1	13.4	52.5
Midwest	38	20.4	21.4	58.2
Southeast	2	26.5	6.4	67.1
Gulf Southwest	15	12.7	11.1	76.2
West Midcontinent	7	11.0	28.1	60.9
Central Northwest	6	19.5	10.4	70.1
Pacific Northwest	7	26.3	5.4	68.3
Pacific Southwest	10	11.7	22.6	65.7
Total	112	22.1	17.3	60.6

CREDIT LOSSES

The average loss from bad debts on open credit sales of musical-instrument stores was 0.7 per cent; the average loss on installment credit sales was 1.3 per cent.

The open credit loss percentages varied inversely with the size of stores; that is, the larger the store the smaller the loss. The range was from an average of 5.6 per cent for the smallest stores, those with annual net sales less than $25,000, to an average of 0.4 per cent for the largest stores, those with annual net sales of $250,000 and over.

The data show great differences among individual establishments in regard to their bad-debt losses. There were 15 stores with the very low open credit loss percentage of less than 0.2 per cent. At the other extreme were 17 stores with the very high open credit loss percentage of 5 per cent or more. The latter dealers thus had open credit losses at least twenty-five times as great proportionately as the former ones.

There were 38 stores with losses on installment sales of less than 0.2 per cent and 23 with 5 per cent or more.

LOSSES FROM BAD DEBTS OF 112 MUSICAL-INSTRUMENT STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $25,000	16	5.6	1.1	22	4.5	2.0
$25,000 to $49,999	10	2.3	.4	17	1.5	.8
$50,000 to $99,999	16	1.8	.3	26	3.1	2.1
$100,000 to $249,999	14	1.3	.2	23	1.9	1.3
$250,000 and over	14	.4	.09	18	.8	.5
REGION						
New England	1	.3	.1	3	5.4	2.2
Central Atlantic	16	.4	.07	23	1.0	.5
Midwest	21	.4	.1	34	1.5	.9
Southeast	1	3.1	.3	2	.02	.01
Gulf Southwest	12	2.3	.2	15	1.3	1.0
West Midcontinent	6	.7	.2	7	.3	.2
Central Northwest	4	3.1	.4	5	3.1	2.3
Pacific Northwest	2	.2	.04	7	2.1	1.4
Pacific Southwest	7	.3	.07	10	1.2	.8
Total	70	.7	.1	106	1.3	.8

MUSICAL-INSTRUMENT STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total stores	Size group (sales volume)				
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
Less than 0.2 per cent	15	4	2	3	4	2
0.2 to 0.29 per cent	3			1		2
0.3 to 0.39 per cent	2				1	1
0.4 to 0.49 per cent	1					1
0.5 to 0.59 per cent						
0.6 to 0.69 per cent	2		1			1
0.7 to 0.79 per cent	2			2		
0.8 to 0.89 per cent	1					1
0.9 to 0.99 per cent	2				2	
1 to 1.4 per cent	9	1		6	1	1
1.5 to 1.9 per cent	3				2	1
2 to 2.9 per cent	5	1	2	1	1	
3 to 3.9 per cent	5	1	1		1	2
4 to 4.9 per cent	3		1	1	1	
5 per cent and over	17	9	3	2	1	2
Total	70	16	10	16	14	14

MUSICAL-INSTRUMENT STORES GROUPED ACCORDING TO SIZE OF INSTALLMENT CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on installment accounts to installment account sales]

Ratio of loss	Total stores	Size group (sales volume)				
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
Less than 0.2 per cent	38	9	7	7	9	6
0.2 to 0.29 per cent	5	1		1	1	2
0.3 to 0.39 per cent	6	1		2		3
0.4 to 0.49 per cent	3			1		2
0.5 to 0.59 per cent						
0.6 to 0.69 per cent	2				2	
0.7 to 0.79 per cent	5			4	1	
0.8 to 0.89 per cent						
0.9 to 0.99 per cent	1					1
1 to 1.4 per cent	10		2	2	4	2
1.5 to 1.9 per cent	4	1	1		2	
2 to 2.9 per cent	4	1	2	1		
3 to 3.9 per cent	2		2			
4 to 4.9 per cent	3		1		2	
5 per cent and over	23	9	2	8	2	2
Total	106	22	17	26	23	18

TERMS ON INSTALLMENT SALES

The table on terms shows considerable diversity among stores in regard to terms on installment sales. The range in deposit required was from 10 per cent or less to more than 33⅓ per cent. The range in life of contracts was from 6 months or less to more than 36 months.

The most common sets of terms were 10 per cent or less deposit and a life of contract of 25 to 30 months and deposit of 10 per cent or less and life of contract 25 to 36 months. Each set of terms was used by 10 stores. The set of terms taking next place for frequency was down payment of 25 per cent and life of contract 7 to 12 months; 9 stores used this set of terms.

TERMS AND RATIO OF LOSS ON INSTALLMENT SALES OF 102 MUSICAL-INSTRUMENT STORES

Deposit required	Life of contract, in months	Stores	Installment credit	
			Ratio bad debts to credit sales	Ratio bad debts to total sales
			Per cent	*Per cent*
	6 or less to 12	2	4.0	3.0
	6 or less to 18	1	1.2	.6
	6 or less to 24	1	.4	.2
	6 or less to 30	2	.4	.3
	7 to 12	6	.9	.7
	7 to 18	2	.4	.2
	7 to 24	1	.3	.2
	7 to 30	1		
10 per cent or less	7 to 36	1	.2	.2
	13 to 24	2	2.7	2.1
	13 to 36	2	11.9	8.6
	19 to 24	6	.3	.1
	19 to 30	1		
	25 to 30	10	1.1	.9
	25 to 36	10	2.8	2.3
	25 to more than 36	1	5.0	4.4
	6 or less	1	9.0	1.8
10 per cent or less to 25 per cent	6 or less to 18	1	9.3	1.3
	6 or less to 24	1		
	6 or less to 30	2	7.4	4.9

TERMS AND RATIO OF LOSS ON INSTALLMENT SALES OF 102 MUSICAL-INSTRUMENT STORES—Continued

Deposit required	Life of contract, in months	Stores	Installment credit: Ratio bad debts to credit sales	Installment credit: Ratio bad debts to total sales
			Per cent	*Per cent*
10 per cent or less to 25 per cent	6 or less to 36	2	0.7	0.5
	7 to 12	1	.01	.01
	7 to 24	1	.1	.1
	7 to 30	3	1.3	1.1
	7 to 36	5	.5	.3
	13 to 24	2	2.7	1.3
10 per cent or less to 33⅓ per cent	7 to 12	1	1.0	.2
	7 to 36	1	9.5	2.2
10 per cent or less to more than 33⅓ per cent	7 to 36	1	5.6	4.7
	25 to more than 36	1	.05	.04
11 to 24 per cent	7 to 12	8	1.9	1.3
	19 to 24	2	3.8	2.9
11 to 33⅓ per cent	6 or less	1	5.0	.8
	7 to 12	1	.4	.2
25 per cent	6 or less to 12	1	.6	.5
	7 to 12	9	.3	.1
	13 to 18	1	.1	.06
	13 to 30	1		
	25 to 36	1		
25 to 33⅓ per cent	6 or less	1	.2	.04
	7 to 12	1		
	13 to 30	1	5.2	3.0
25 to more than 33⅓ per cent	7 to 36	1	1.7	1.2
30 to 33⅓ per cent	6 or less to 36	1		

USE OF CREDIT BUREAUS

Of the total of 107 musical-instrument stores reporting on the use of credit bureaus, 77 of them, or 72 per cent, made use of credit bureaus as compared with 30, or 28 per cent, which did not.

Of those stores, all of which reported on the subject of making credit investigations of their own, 17 stores, or 15.9 per cent, relied wholly on the credit bureaus for information; 60, or 56.1 per cent, supplemented the use of credit bureaus with investigations of their own; and 30, or 28 per cent, made no use of credit bureaus.

The average loss on open credit sales of those stores which relied wholly on the credit bureaus was 1.4 per cent, of those which used credit bureaus and supplemented their use with investigations of their own 1.1 per cent, and of those which did not use credit bureaus 0.4 per cent.

The average loss on installment sales of the first group was 0.9 per cent, of the second 2 per cent, and of the third 0.5 per cent.

SOURCE OF CREDIT INFORMATION OF MUSICAL-INSTRUMENT STORES IN 1927

Classification	Stores	Ratio of bad debts to—: Credit sales	Ratio of bad debts to—: Total sales
		Per cent	*Per cent*
Stores using credit bureaus and making no investigations of their own (17 stores, 15.9 per cent):			
Open credit	14	1.4	0.1
Installment credit	17	.9	.6
Stores using credit bureaus and also making investigations of their own (60 stores, 56.1 per cent):			
Open credit	41	1.1	.2
Installment credit	57	2.0	1.4
Stores not making use of credit bureaus (30 stores, 28 per cent):			
Open credit	11	.4	.1
Installment credit	27	.5	.3

CHAIN STORES

Of the total of 112 musical-instrument stores doing credit business, 3 of them, or 2.7 per cent, were chain stores and 109, or 97.3 per cent, were not. The individual establishment decided the question whether it was a chain store.

LOSSES FROM BAD DEBTS OF CHAIN MUSICAL-INSTRUMENT STORES COMPARED WITH THOSE OF OTHER MUSICAL-INSTRUMENT STORES IN 1927

Type	Stores	Ratio of bad debts to—: Credit sales	Ratio of bad debts to—: Total sales
		Per cent	*Per cent*
Chain musical-instrument stores (3 stores, 2.7 per cent):			
Open credit	1	1.0	0.07
Installment credit	3	.2	.1
All others (109 stores, 97.3 per cent):			
Open credit	69	.6	.1
Installment credit	103	1.3	.8

RETURNS AND ALLOWANCES

The percentages of returns and allowances on cash, open credit, and installment credit sales, respectively, were 3.1 per cent of gross cash sales, 22.9 per cent of gross open credit sales, and 15.4 per cent of gross installment credit sales.

There were nine stores with individual returns and allowance percentages on open credit sales of less than 5 per cent. At the other extreme were two stores, very large ones, with 25 per cent or more.

There were 16 stores with individual returns and allowances on installment credit sales of less than 5 per cent. At the other extreme were 3 stores, all large ones, with 25 per cent or more.

RETURNS AND ALLOWANCES OF MUSICAL-INSTRUMENT STORES, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Cash sales: Stores	Cash sales: Per cent returns and allowances	Open credit: Stores	Open credit: Per cent returns and allowances	Installment credit: Stores	Installment credit: Per cent returns and allowances
SALES VOLUME						
Less than $25,000	2	26.1	4	7.3	6	6.5
$25,000 to $49,999	7	2.6	3	6.7	6	11.4
$50,000 to $99,999	4	3.3	7	10.9	11	14.8
$100,000 to $249,999	6	2.0	5	7.6	16	8.2
$250,000 and over	3	3.1	7	24.5	11	17.5
REGION						
New England					2	15.8
Central Atlantic	2	6.5	4	4.0	11	17.0
Midwest	5	3.4	7	24.5	15	19.7
Southeast	2	1.5			1	11.6
Gulf Southwest	4	1.0	7	19.4	10	10.0
West Midcontinent	3	3.0	1	16.0	3	7.8
Central Northwest	3	2.2	3	20.1	2	10.1
Pacific Northwest	1	3.2	1	3.2	3	4.2
Pacific Southwest	2	2.3	3	3.7	3	9.1
Total	22	3.1	26	22.9	50	15.4

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF MUSICAL-INSTRUMENT STORES IN 1927

[Percentages based on gross sales]

Sales volume	Total stores	Stores having returns and allowances—					
		Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 to 19.9 per cent	20 to 24.9 per cent	25 per cent and over
Less than $25,000	4	1	1	2			
$25,000 to $49,999	3	1	2				
$50,000 to $99,999	7	3	2				
$100,000 to $249,999	5	2	1		2		
$250,000 and over	7	2		1	1	1	2
Total	26	9	6	3	5	1	2

RETURNS AND ALLOWANCES ON INSTALLMENT CREDIT SALES OF MUSICAL-INSTRUMENT STORES IN 1927

[Percentages based on gross sales]

Sales volume	Total stores	Stores having returns and allowances—					
		Less than 5 per cent	5 to 9.9 per cent	10 to 14.9 per cent	15 to 19.9 per cent	20 to 24.9 per cent	25 per cent and over
Less than $25,000	6	2	3	1			
$25,000 to $49,999	6	2		3		1	
$50,000 to $99,999	11	4	1	2	3		1
$100,000 to $249,999	16	6	4	4	1		1
$250,000 and over	11	2	2	3	1	2	1
Total	50	16	10	13	5	3	3

HAY, GRAIN, AND FEED DEALERS

EXTENT OF CREDIT BUSINESS

Reports from 112 hay, grain, and feed dealers with total net sales in 1927 of $26,007,284 indicate that 33.1 per cent of this amount was for cash and 66.9 per cent on open credit.

Of the total of 112 dealers, 10 sold for cash only and 102 sold for cash and open credit.

On the basis of reports from 43 establishments reporting for 1925, 1926, and 1927, it was found that cash sales increased 14 per cent in 1927 over those of 1925 and open credit sales increased 2.5 per cent.

The smaller establishments did a larger proportion of their business on a cash basis than the larger ones. The group of the smallest dealers, those with sales less than $50,000, did an average of 54.6 per cent of total business on a cash basis, and the largest, those with sales of $500,000 and over, did 25.2 per cent.

EXTENT OF CREDIT BUSINESS OF 112 HAY, GRAIN, AND FEED DEALERS

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Total
Cash only (10 dealers)	723		723
Cash and open credit (102 dealers)	7,895	17,389	25,284
Total sales (112 dealers)	8,618	17,389	26,007
Per cent of total sales	33.1	66.9	100

EXTENT OF CREDIT BUSINESS OF 43 HAY, GRAIN, AND FEED DEALERS IN 1925, 1926, AND 1927

(Sales in thousands of dollars)

Year and item	Cash	Open credit	Total
1925:			
Volume of sales	2,690	10,724	13,414
Per cent of total sales	20.1	79.9	100
1926:			
Volume of sales	2,693	10,027	12,720
Per cent of total sales	21.2	78.8	100
1927:			
Volume of sales	3,069	10,996	14,065
Per cent of total sales	21.8	78.2	100
Per cent change in volume of sales:			
1926 over 1925	+0.1	−6.5	−5.2
1927 over 1926	+13.9	+9.6	+10.5
1927 over 1925	+14.0	+2.5	+4.8

EXTENT OF CREDIT BUSINESS OF 102 HAY, GRAIN, AND FEED DEALERS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Dealers	Per cent cash sales	Per cent open credit sales	Classification	Dealers	Per cent cash sales	Per cent open credit sales
SALES VOLUME				REGION			
Less than $50,000	15	54.6	45.4	New England	3	46.0	54.0
$50,000 to $99,999	26	46.0	54.0	Central Atlantic	14	41.4	58.6
$100,000 to $249,999	41	39.7	60.3	Midwest	20	51.0	49.0
$250,000 to $499,999	9	26.4	73.6	Southeast	5	12.3	87.7
$500,000 and over	11	25.2	74.8	Gulf Southwest	10	67.7	32.3
				West Midcontinent	14	68.6	31.4
				Central Northwest	6	42.7	57.3
				Pacific Northwest	11	19.6	80.4
				Pacific Southwest	19	11.5	88.5
				Total	102	31.2	68.8

CREDIT LOSSES

The average loss from bad debts on open credit sales of 102 hay, grain, and feed dealers was 0.7 per cent.

The data show great differences among individual dealers in regard to their bad-debt losses. There were 25 dealers with the very low open credit losses of less than 0.2 per cent, but there were many with much higher losses, 3 of them having losses of 5 per cent or more.

LOSSES FROM BAD DEBTS OF 102 HAY, GRAIN, AND FEED DEALERS, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Dealers	Ratio bad debts to credit sales	Ratio bad debts to total sales	Classification	Dealers	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*	REGION		*Per cent*	*Per cent*
Less than $50,000	15	2.3	1.0	New England	3	0.1	0.07
$50,000 to $99,999	26	.6	.3	Central Atlantic	14	.7	.4
$100,000 to $249,999	41	.6	.3	Midwest	20	.5	.2
$250,000 to $499,999	9	.4	.3	Southeast	5	.5	.4
$500,000 and over	11	.8	.6	Gulf Southwest	10	.6	.1
				West Midcontinent	14	.9	.3
				Central Northwest	6	.1	.08
				Pacific Northwest	11	.4	.3
				Pacific Southwest	19	.8	.7
				Total	102	.7	.5

HAY, GRAIN, AND FEED DEALERS GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total dealers	Size group (sales volume)				
		Less than $50,000	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000, and over
Less than 0.2 per cent	25	2	8	8	3	4
0.2 to 0.29 per cent	14	1	4	6	1	2
0.3 to 0.39 per cent	6		1	5		
0.4 to 0.49 per cent	7			6	1	
0.5 to 0.59 per cent	9	1	4	3	1	
0.6 to 0.69 per cent	1			1		
0.7 to 0.79 per cent	1				1	
0.8 to 0.89 per cent	4	1		1		2
0.9 to 0.99 per cent	1		1			
1 to 1.4 per cent	14	2	4	4	2	2
1.5 to 1.9 per cent	3	1	1	1		
2 to 2.9 per cent	11	2	3	5		1
3 to 3.9 per cent	2	1		1		
4 to 4.9 per cent	1	1				
5 per cent and over	3	3				
Total	102	15	26	41	9	11

USE OF CREDIT BUREAUS

Out of a total of 99 dealers, 68 of them, or 68.7 per cent, made use of credit bureaus as compared with 31, or 31.3 per cent, which did not.

Of the total of 99 dealers, 12 relied wholly on the credit bureaus for information, 56 supplemented the use of credit bureaus with investigations of their own, and 31 made no use of credit bureaus.

The average loss on open credit sales of those stores which relied wholly on the credit bureaus was 0.6 per cent, of those which used credit bureaus and supplemented their use with investigations of their own 0.8 per cent, and of those which did not use credit bureaus 0.5 per cent.

SOURCE OF CREDIT INFORMATION OF HAY, GRAIN, AND FEED DEALERS IN 1927

Classification	Dealers	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Dealers using credit bureaus and making no investigations of their own (12 dealers, 12.1 per cent)	12	0.6	0.3
Dealers using credit bureaus and also making investigations of their own (56 dealers, 56.6 per cent)	56	.8	.5
Dealers not making use of credit bureaus (31 dealers, 31.3 per cent)	31	.5	.3

DRUG STORES

EXTENT OF CREDIT BUSINESS

Reports from 430 drug stores with total net sales in 1927 of $25,845,839 indicate that 84.7 per cent of this amount was for cash and 15.3 per cent on open credit.

Of the total of 430 stores, 178 sold for cash only and 252 sold for cash and open credit.

On the basis of reports from 114 stores reporting for 1925, 1926, and 1927, it was found that cash sales increased 19.7 per cent in 1927 over 1925 and open credit sales increased 15.5 per cent.

The smaller stores, on the average, did a much larger proportion of their business on a cash basis than the larger ones. The range was from an average of 85.9 per cent on a cash basis for the smallest stores, those with annual net sales less than $25,000, to 65.7 per cent on a cash basis for the largest stores, those with annual net sales of $250,000 and over.

The Central Northwest States, represented by 12 stores, did an average of 85.2 per cent of total business on a cash basis, which was the highest of all the geographical districts. The Central Atlantic States, represented by 32 stores, did an average of 70.5 per cent, the lowest.

EXTENT OF CREDIT BUSINESS OF 430 DRUG STORES IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Total
Cash only (178 stores)	8,772		8,772
Cash and open credit (252 stores)	13,118	3,955	17,073
Total sales (430 stores)	21,890	3,955	25,845
Per cent of total sales	84.7	15.3	100

EXTENT OF CREDIT BUSINESS OF 114 DRUG STORES IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Total
1925:			
Volume of sales	6,194	1,322	7,516
Per cent of total sales	82.4	17.6	100
1926:			
Volume of sales	6,478	1,356	7,834
Per cent of total sales	82.7	17.3	100
1927:			
Volume of sales	7,419	1,527	8,946
Per cent of total sales	82.9	17.1	100
Per cent change in volume of sales:			
1926 over 1925	+4.5	+2.5	+4.2
1927 over 1926	+14.5	+12.6	+14.1
1927 over 1925	+19.7	+15.5	+19.0

EXTENT OF CREDIT BUSINESS OF 252 DRUG STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Per cent cash sales	Per cent credit sales
SALES VOLUME			
Less than $25,000	48	85.9	14.1
$25,000 to $49,999	97	82.6	17.4
$50,000 to $99,999	69	80.7	19.3
$100,000 to $249,999	26	78.0	22.0
$250,000 and over	12	65.7	34.3
REGION			
New England	13	84.5	15.5
Central Atlantic	32	70.5	29.5
REGION—continued			
Midwest	75	78.3	21.7
Southeast	26	74.2	25.8
Gulf Southwest	30	74.8	25.2
West Midcontinent	21	79.5	20.5
Central Northwest	12	85.2	14.8
Pacific Northwest	6	79.7	20.3
Pacific Southwest	37	79.4	20.6
Total	252	76.8	23.2

CREDIT LOSSES

The average loss from bad debts on open credit sales of 252 drug stores was 1.4 per cent.

The smaller stores had much greater open credit loss percentages than the larger ones. The range was from an average of 2.5 per cent for the smallest stores to 0.8 per cent for the largest ones.

The data show great differences among individual establishments in regard to their bad-debt losses. There were 50 stores with losses on open credit sales less than 0.2 per cent. At the other extreme were 51 with losses on open credit sales of 5 per cent or more. The latter stores thus had open credit losses at least twenty-five times as great proportionately as the former ones.

LOSSES FROM BAD DEBTS OF 252 DRUG STORES, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*
Less than $25,000	48	2.5	0.3
$25,000 to $49,999	97	2.0	.3
$50,000 to $99,999	69	2.3	.4
$100,000 to $249,999	26	1.1	.2
$250,000 and over	12	.8	.2
REGION			
New England	13	1.1	.1
Central Atlantic	32	1.4	.4
REGION—continued			
Midwest	75	0.8	0.1
Southeast	26	2.0	.5
Gulf Southwest	30	1.4	.3
West Midcontinent	21	1.5	.3
Central Northwest	12	3.6	.5
Pacific Northwest	6	2.8	.5
Pacific Southwest	37	1.5	.3
Total	252	1.4	.3

DRUG STORES GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open credit accounts to open credit sales]

Ratio of loss	Total stores	Size group (sales volume): Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
Less than 0.2 per cent	50	12	18	13	6	1
0.2 to 0.29 per cent	6	1	1		3	1
0.3 to 0.39 per cent	9	1	6	1	1	
0.4 to 0.49 per cent	2	1		1		
0.5 to 0.59 per cent	5	2	2		1	
0.6 to 0.69 per cent	9	1	2	3	1	2
0.7 to 0.79 per cent	11	1	5	2	3	
0.8 to 0.89 per cent	4		2			2
0.9 to 0.99 per cent	9	1	2	4	1	1
1 to 1.4 per cent	23	1	8	7	5	2
1.5 to 1.9 per cent	21	6	5	8	1	1
2 to 2.9 per cent	24	1	13	7	2	1
3 to 3.9 per cent	11	2	5	4		
4 to 4.9 per cent	17	3	7	6	1	
5 per cent and over	51	15	21	13	1	1
Total	252	48	97	69	26	12

USE OF CREDIT BUREAUS

Of the 238 drug stores which supplied information on the use of credit bureaus, 138 of them, or 58 per cent, made use of credit bureaus compared with 100 stores, or 42 per cent, which did not.

Of the 138 stores, 40, or 16.8 per cent, relied wholly on the credit bureaus for information, and 98, or 41.2 per cent, supplemented the use of credit bureaus with investigations of their own.

The average loss on open credit sales of those stores which relied wholly on the credit bureaus was 1.3 per cent, of those which used credit bureaus and supplemented their use with investigations of their own 1.3 per cent, and of those which did not use credit bureaus 2.1 per cent.

SOURCE OF CREDIT INFORMATION OF 238 DRUG STORES IN 1927

Classification	Stores	Ratio of bad debts to—: Credit sales	Total sales
		Per cent	*Per cent*
Stores using credit bureaus and making no investigations of their own (40 stores, 16.8 per cent)	40	1.3	0.2
Stores using credit bureaus and making investigations of their own (98 stores, 41.2 per cent)	98	1.3	.3
Stores not making use of credit bureaus (100 stores, 42 per cent)	100	2.1	.3

CHAIN STORES

Of the total of 252 drug stores doing credit business, 13 of them, or 5.2 per cent, were chain stores and 239, or 94.8 per cent, were not. The individual store decided the question whether it was a chain store.

The average open credit loss of the 13 chain stores was 0.9 per cent and of other stores 1.6 per cent.

LOSSES FROM BAD DEBTS OF CHAIN DRUG STORES COMPARED WITH THOSE OF OTHER DRUG STORES IN 1927

Type	Stores	Ratio of bad debts to—	
		Credit sales	Total sales
		Per cent	*Per cent*
Chain drug stores (13 stores, 5.2 per cent)	13	0.9	0.2
All others (239 stores, 94.8 per cent)	239	1.6	.3

RETURNS AND ALLOWANCES

The percentage of returns and allowances on cash and open credit sales, respectively, were 0.7 per cent of gross cash sales and 1.7 per cent of gross open credit sales.

There were 25 stores with individual returns and allowance percentages of less than 2 per cent. At the other extreme were four stores with 10 per cent or more.

RETURNS AND ALLOWANCES OF DRUG STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Cash sales		Open credit sales	
	Stores	Per cent returns and allowances	Stores	Per cent returns and allowances
SALES VOLUME				
Less than $25,000	7	0.8	5	1.0
$25,000 to $49,999	13	1.7	16	1.5
$50,000 to $99,999	13	*.6	9	2.9
$100,000 to $249,999	9	.4	9	1.6
$250,000 and over	3	.5	4	1.7
REGION				
New England	6	.8	7	1.5
Central Atlantic	13	.9	11	2.1
Midwest	3	.7	7	1.7
Southeast	8	.5	4	1.0
Gulf Southwest	4	.2	5	2.1
West Midcontinent	4	.7	4	2.6
Central Northwest	1	.8		
Pacific Northwest	6	.6	5	.8
Pacific Southwest				
Total	45	.7	43	1.7

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF DRUG STORES IN 1927

[Percentages based on gross sales]

Sales volume	Stores	Stores having returns and allowances—					
		Less than 2 per cent	2 to 3.9 per cent	4 to 5.9 per cent	6 to 7.9 per cent	8 to 9.9 per cent	10 per cent and over
Less than $25,000	5	4				1	
$25,000 to $49,999	16	10	2		1		3
$50,000 to $99,999	9	3	2	2	1		1
$100,000 to $249,999	9	6	2	1			
$250,000 and over	4	2	1	1			
Total	43	25	7	4	2	1	4

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all stores to the outstanding balances due of the same stores when books were closed for the preceding month.

The open account collection percentage for the whole country was 41.5 per cent. January, with 44.1 per cent, had the highest average, and February, with 39.6 per cent, had the lowest.

The New England States, represented by three stores, had the highest average, which was 53.5 per cent, and the Southeast States, represented by six stores, had the lowest, 35.9 per cent.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF DRUG STORES, IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Stores	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $25,000	3	31.9	35.2	35.2	31.0	33.3	37.5	22.5	33.3	31.2	29.0	35.2	31.2	27.2
$25,000 to $49,999	17	42.8	45.3	44.0	43.8	43.8	44.5	43.2	43.5	42.5	40.1	41.3	39.9	42.3
$50,000 to $99,999	14	33.1	32.1	30.6	33.2	39.6	31.9	35.8	32.3	33.8	29.9	31.2	31.6	36.0
$100,000 to $249,999	15	47.5	54.3	45.1	50.2	50.0	47.8	47.0	47.3	43.5	45.8	46.0	45.7	47.5
$250,000 and over	5	42.4	41.3	39.3	39.5	40.8	44.7	41.4	41.5	42.5	42.9	44.3	47.1	43.0
REGION														
New England	3	53.5	48.6	51.9	59.1	55.3	59.0	53.2	52.3	43.7	46.8	54.6	54.8	62.6
Central Atlantic	9	42.8	43.4	41.1	39.7	38.1	43.0	41.0	42.7	40.4	41.2	45.2	48.9	47.2
Midwest	7	43.2	49.5	43.6	45.1	46.1	41.9	44.0	44.6	43.5	44.6	42.1	37.0	40.4
Southeast	6	35.9	36.3	34.3	34.2	47.9	37.3	40.2	32.5	35.0	33.6	34.3	33.8	34.0
Gulf Southwest	11	40.3	41.6	34.2	43.2	43.9	42.8	41.2	41.8	41.5	38.6	38.3	38.2	38.4
West Midcontinent	6	49.1	57.9	48.3	49.6	53.5	51.4	48.5	48.2	45.7	46.7	45.6	47.3	48.2
Central Northwest	4	36.1	44.2	34.9	35.8	34.7	33.0	34.6	31.4	40.4	36.1	33.6	33.8	45.2
Pacific Northwest	2	37.9	44.3	35.3	37.3	45.1	37.6	33.3	37.3	34.8	32.5	37.6	43.4	36.5
Pacific Southwest	*6	37.2	38.7	41.6	37.7	38.4	38.4	35.7	35.6	33.8	35.3	37.5	37.0	37.5
Total	54	41.5	44.1	39.6	41.6	43.7	42.6	41.4	40.8	40.3	39.7	40.8	41.5	42.2

MISCELLANEOUS RETAIL ESTABLISHMENTS

KINDS OF STORES INCLUDED

The results of the retail credit survey were compiled according to 27 different kinds of retail establishments, such as department stores, furniture stores, automobile dealers, lumber and building-material dealers, etc. All establishments which were not included in the 27 lines of trade are here grouped under the heading of "Miscellaneous." One of the principal kinds of stores so classified is general merchandise stores, those selling such commodities as groceries, dry goods, clothing, and hardware. Included also are stores specializing in art goods and antiques, agricultural implements, books, crockery, china and glassware, fertilizer, household supplies, motor cycles and bicycles, sewing machines, leather goods, sporting goods, etc. There are also some stores included which belong in one or the other of the 27 kinds of stores, but whose reports came in after those tabulations had been completed.

KINDS AND EXTENT OF CREDIT

Reports from 8,136 miscellaneous retail establishments with total net sales in 1927 of $1,023,083,000 indicate that 77.8 per cent of this amount was for cash, 19.3 per cent on open credit, and 2.9 per cent on installment credit.

Of the total of 8,136 establishments, 6,208 sold for cash only, 1,574 sold for cash and open credit only, 84 sold for cash and installment credit only, and 270 sold for cash, open credit, and installment credit.

KINDS AND EXTENT OF CREDIT BUSINESS OF 8,136 MISCELLANEOUS RETAIL ESTABLISHMENTS IN 1927

[In thousands of dollars]

Kinds of sales	Cash	Open credit	Installment credit	Total
Cash only (6,208 establishments)	639,746			639,746
Cash and open credit only (1,574 establishments)	117,063	175,167		292,230
Cash and installment credit only (84 establishments)	4,441		15,294	19,735
Cash, open credit, and installment credit (270 establishments)	34,981	22,580	13,811	71,372
Total sales (8,136 establishments)	796,231	197,747	29,105	1,023,083
Per cent of total sales	77.8	19.3	2.9	100

KINDS AND EXTENT OF CREDIT BUSINESS OF 814 MISCELLANEOUS RETAIL ESTABLISHMENTS IN 1925, 1926, AND 1927

[Sales in thousands of dollars]

Year and item	Cash	Open credit	Installment credit	Total
1925:				
Volume of sales	219,626	89,143	9,055	317,824
Per cent of total sales	69.1	28.0	2.9	100
1926:				
Volume of sales	240,123	91,970	12,351	344,444
Per cent of total sales	69.7	26.7	3.6	100
1927:				
Volume of sales	259,677	91,471	15,277	366,425
Per cent of total sales	70.9	25.0	4.1	100
Per cent change in volume of sales:				
1926 over 1925	+9.3	+3.1	+36.3	+8.3
1927 over 1926	+8.1	−0.6	+23.6	+6.3
1927 over 1925	+18.2	+2.6	+68.7	+15.2

KINDS AND EXTENT OF CREDIT BUSINESS OF 1,859 MISCELLANEOUS RETAIL ESTABLISHMENTS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Establishments	Per cent cash sales	Per cent open credit sales	Per cent installment sales
SALES VOLUME				
Less than $25,000	369	53.0	43.3	3.7
$25,000 to $49,999	416	46.6	50.2	3.2
$50,000 to $99,999	425	41.8	52.5	5.7
$100,000 to $249,999	384	34.4	59.5	6.1
$250,000 to $499,999	136	32.3	59.3	8.4
$500,000 and over	129	42.3	49.1	8.6
REGION				
New England	126	31.5	66.4	2.1
Central Atlantic	323	43.3	50.2	6.5
Midwest	443	50.1	40.7	9.2
Southeast	102	34.9	59.3	5.8
Gulf Southwest	208	32.5	62.6	4.9
West Midcontinent	200	37.9	55.9	6.2
Central Northwest	107	40.3	53.2	6.5
Pacific Northwest	97	29.1	65.3	5.6
Pacific Southwest	251	32.5	58.3	9.2
Total, including two stores, district not shown	1,859	40.0	52.4	7.6

CREDIT LOSSES

The average loss from bad debts on open credit sales of miscellaneous establishments (1,795 reporting) was 0.7 per cent; the average loss on installment credit sales (328 reporting) was 1.5 per cent.

Open credit losses varied inversely with the size of stores, that is; the larger the stores the smaller the losses. The range was from an average of 1.8 per cent for the stores with annual net sales less than $25,000 to 0.4 per cent for the stores with annual net sales of $500,000 and over.

The data show great differences among individual establishments in regard to their bad-debt losses. There were 424 establishments with losses on open credit sales less than 0.2 per cent. At the other extreme were 165 establishments with losses on open credit sales of 5 per cent or more.

There were 161 dealers with losses on installment sales of less than 0.2 per cent and 30 with 5 per cent or more.

LOSSES FROM BAD DEBTS OF 1,859 MISCELLANEOUS RETAIL ESTABLISHMENTS, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Open credit			Installment credit		
	Establishments	Ratio bad debts to credit sales	Ratio bad debts to total sales	Establishments	Ratio bad debts to credit sales	Ratio bad debts to total sales
SALES VOLUME		*Per cent*	*Per cent*		*Per cent*	*Per cent*
Less than $25,000	350	1.8	0.8	51	1.7	0.4
$25,000 to $49,999	409	1.3	.6	61	1.5	.3
$50,000 to $99,999	411	1.2	.6	81	1.6	.4
$100,000 to $249,999	358	1.0	.6	74	1.4	.4
$250,000 to $499,999	147	.8	.5	31	2.1	.9
$500,000 and over	120	.4	.2	30	1.3	.4
REGION						
New England	123	.4	.3	13	1.5	.3
Central Atlantic	314	.7	.3	50	2.1	.7
Midwest	421	.6	.2	85	1.0	.2
Southeast	98	1.3	.7	15	.7	.4
Gulf Southwest	200	.6	.3	33	2.4	.8
West Midcontinent	195	1.0	.5	44	1.7	.3
Central Northwest	105	1.2	.6	21	.3	.1
Pacific Northwest	94	.7	.5	29	.5	.1
Pacific Southwest	244	.8	.4	37	.7	.2
Total, including one store, district not shown	1,795	.7	.4	328	1.5	.4

MISCELLANEOUS RETAIL ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF OPEN CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on open accounts to open account sales]

Ratio of loss	Total establishments	Size group (sales volume)					
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 and over
Less than 0.2 per cent	424	90	99	83	79	43	30
0.2 to 0.29 per cent	111	12	19	23	29	11	17
0.3 to 0.39 per cent	103	9	18	30	20	13	13
0.4 to 0.49 per cent	92	13	11	22	25	10	11
0.5 to 0.59 per cent	85	12	17	19	21	8	8
0.6 to 0.69 per cent	71	5	15	17	20	7	7
0.7 to 0.79 per cent	68	13	16	12	19	3	5
0.8 to 0.89 per cent	64	6	15	15	13	9	6
0.9 to 0.99 per cent	64	7	14	22	12	4	5
1 to 1.4 per cent	197	32	54	43	43	18	7
1.5 to 1.9 per cent	117	20	30	33	26	4	4
2 to 2.9 per cent	126	32	31	35	20	6	2
3 to 3.9 per cent	69	17	19	19	8	6	
4 to 4.9 per cent	39	14	5	10	6	2	2
5 and over	165	68	46	28	17	3	3
Total	1,795	350	409	411	358	147	120

MISCELLANEOUS RETAIL ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF INSTALLMENT CREDIT LOSS

[Credit loss computed by taking the ratio of bad debts on installment accounts to installment account sales]

Ratio of loss	Total establishments	Size group (sales volume)					
		Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 to $499,999	$500,000 and over
Less than 0.2 per cent	161	25	37	42	32	15	10
0.2 to 0.29 per cent	7	1	1	2		2	1
0.3 to 0.39 per cent	9	2	1	1	3	1	1
0.4 to 0.49 per cent	11	1	1	4	2	3	
0.5 to 0.59 per cent	9			4	2	2	1
0.6 to 0.69 per cent	5	1			3		1
0.7 to 0.79 per cent	8	2	1	2		2	1
0.8 to 0.89 per cent	5		1			1	3
0.9 to 0.99 per cent	5			2	1		2
1 to 1.4 per cent	24		5	9	6		4
1.5 to 1.9 per cent	15		5	3	6		1
2 to 2.9 per cent	20	4	2	4	8		2
3 to 3.9 per cent	13	3	1	2	4	2	1
4 to 4.9 per cent	6	2	1	1	1		1
5 and over	30	10	5	5	6	3	1
Total	328	51	61	81	74	31	30

USE OF CREDIT BUREAUS

Of the total of 1,807 miscellaneous retail establishments reporting on the use of credit bureaus, 1,224 of them, or 67.8 per cent, made use of credit bureaus as compared with 583, or 32.2 per cent which did not.

Of the 1,224 establishments, 330, or 18.3 per cent, relied wholly on the credit bureaus for information and 894, or 49.5 per cent, supplemented the use of credit bureaus with investigations of their own.

The average loss on open credit sales of those stores which relied wholly on the credit bureaus was 0.7 per cent, of those which used credit bureaus and supplemented their use with investigations of their own 0.6 per cent, and of those which did not use credit bureaus 0.8 per cent.

The average loss on installment sales of the first group was 0.5 per cent, of the second 1 per cent; and of the third 2.4 per cent.

SOURCE OF CREDIT INFORMATION OF MISCELLANEOUS RETAIL ESTABLISHMENTS IN 1927

Classification	Establishments	Ratio of bad debts to—	
		Credit sales	Total sales
Establishments using credit bureaus and making no investigations of their own (330 establishments, 18.3 per cent):		*Per cent*	*Per cent*
Open credit	321	0.7	0.3
Installment credit	45	.5	.1
Establishments using credit bureaus and also making investigations of their own (894 establishments, 49.5 per cent):			
Open credit	863	.6	.3
Installment credit	191	1.0	.2
Establishments not making use of credit bureaus (583 establishments, 32.2 per cent):			
Open credit	560	.8	.5
Installment credit	85	2.4	1.2

CHAIN STORES

Of the total of 1,859 miscellaneous retail establishments doing credit business, 73 of them, or 3.9 per cent, were chain stores and 1,786, or 96.1 per cent, were not. The individual establishment decided the question whether it was a chain store.

The average open credit loss of the chain stores was 0.6 per cent and of other stores 0.7 per cent. The average loss on installment credit sales of chain stores was 1.8 per cent and of other stores 1.3 per cent.

LOSSES FROM BAD DEBTS OF CHAIN MISCELLANEOUS RETAIL ESTABLISHMENTS COMPARED WITH THOSE OF OTHER SUCH ESTABLISHMENTS IN 1927

Type	Establishments	Ratio of bad debts to—	
		Credit sales	Total sales
Chain miscellaneous retail establishments (73 establishments, 3.9 per cent):		*Per cent*	*Per cent*
Open credit	68	0.6	0.1
Installment credit	14	1.8	.5
All others (1,786 establishments, 96.1 per cent):			
Open credit	1,726	.7	.4
Installment credit	315	1.3	.4

RETURNS AND ALLOWANCES

The percentages of returns and allowances of miscellaneous retail stores were 2.6 per cent of gross cash sales, 4.1 per cent of gross open credit sales, and 9.8 per cent of gross installment credit sales, respectively.

Out of 538 stores giving returns and allowance percentages on open credit sales, 256 of them had less than 2 per cent. At the other extreme were 36 stores with 10 per cent or more.

Out of the total of 50 stores giving returns and allowance percentages on installment credit sales, 14 of them had less than 2 per cent and 11 of them had 10 per cent or more.

RETURNS AND ALLOWANCES OF MISCELLANEOUS RETAIL ESTABLISHMENTS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

[Percentages based on gross sales]

Classification	Cash		Open credit		Installment credit	
	Establishments	Per cent returns and allowances	Establishments	Per cent returns and allowances	Establishments	Per cent returns and allowances
SALES VOLUME						
Less than $25,000	64	6.8	58	2.0	4	5.1
$25,000 to $49,999	78	1.1	101	2.9	8	6.2
$50,000 to $99,999	90	1.6	121	3.0	9	3.1
$100,000 to $249,999	78	1.1	133	2.9	14	3.3
$250,000 to $499,999	29	1.4	67	3.7	7	11.7
$500,000 and over	39	3.0	58	4.7	8	10.8

RETURNS AND ALLOWANCES OF MISCELLANEOUS RETAIL ESTABLISHMENTS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS—Continued

Classification	Cash		Open credit		Installment credit	
	Establishments	Per cent returns and allowances	Establishments	Per cent returns and allowances	Establishments	Per cent returns and allowances
REGION						
New England	39	2.2	48	3.2	3	12.4
Central Atlantic	63	4.6	106	6.0	5	14.5
Midwest	94	3.1	128	4.1	14	10.6
Southeast	23	2.9	28	5.2	2	1.3
Gulf Southwest	40	1.1	57	2.4	7	11.5
West Midcontinent	41	0.4	47	1.6	6	1.5
Central Northwest	20	0.9	27	4.1	5	2.9
Pacific Northwest	15	1.7	22	1.7	4	3.0
Pacific Southwest	43	1.9	75	3.8	4	1.5
Total	378	2.6	538	4.1	50	9.8

RETURNS AND ALLOWANCES ON OPEN CREDIT SALES OF MISCELLANEOUS RETAIL ESTABLISHMENTS IN 1927

[Percentages based on gross sales]

Sales volume	Establishments	Establishments having returns and allowances—					
		Less than 2 per cent	2 to 3.9 per cent	4 to 5.9 per cent	6 to 7.9 per cent	8 to 9.9 per cent	10 per cent and over
Less than $25,000	58	31	13	5	1	2	6
$25,000 to $49,999	101	56	16	12	6	6	5
$50,000 to $99,999	121	49	33	24	10	2	3
$100,000 to $249,999	133	67	31	17	5	6	7
$250,000 to $499,999	67	26	19	5	6	7	4
$500,000 and over	58	27	7	3	5	5	11
Total	538	256	119	66	33	28	36

RETURNS AND ALLOWANCES ON INSTALLMENT CREDIT SALES OF MISCELLANEOUS RETAIL ESTABLISHMENTS IN 1927

[Percentages based on gross sales]

Sales volume	Establishments	Establishments having returns and allowances—					
		Less than 2 per cent	2 to 3.9 per cent	4 to 5.9 per cent	6 to 7.9 per cent	8 to 9.9 per cent	10 per cent and over
Less than $25,000	4	1	1				2
$25,000 to $49,999	8	1	4		1		2
$50,000 to $99,999	9	3	3	1		2	
$100,000 to $249,999	14	5	3	2	1	2	1
$250,000 to $499,999	7	3	1		1		2
$500,000 and over	8	1	2		1		4
Total	50	14	14	3	4	4	11

COLLECTION PERCENTAGES

Collection percentages were computed by taking the ratio of the monthly collections on accounts receivable of all stores to the outstanding balances due of the same stores when books were closed for the preceding month.

The open account collection percentage for the whole country was 48.1 per cent. December, with 51.5 per cent, had the highest average, and February, with 45.3 per cent, had the lowest.

The installment account collection percentage for the whole country was 13.8 per cent. March and June, with 14.6 per cent, had the highest average, and February, with 12.7 per cent, had the lowest.

PER CENT COLLECTED MONTHLY ON OPEN CREDIT ACCOUNTS OF MISCELLANEOUS STORES IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Establishments	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $25,000	53	46.6	43.7	49.2	47.4	49.5	46.8	48.5	50.5	39.6	46.1	53.2	34.2	50.8
$25,000 to $49,999	106	39.7	38.1	35.7	36.0	41.5	39.1	38.7	39.4	39.2	37.2	38.5	44.1	48.8
$50,000 to $99,999	128	42.0	45.0	42.0	43.0	44.2	40.9	42.2	38.2	38.2	40.1	43.4	42.4	44.8
$100,000 to $249,999	153	48.6	50.7	47.0	48.0	49.5	49.3	50.7	46.7	46.5	47.3	47.6	48.8	51.1
$250,000 to $499,999	72	49.9	47.4	45.9	49.0	48.9	48.0	50.2	48.8	44.9	49.6	49.4	49.2	66.8
$500,000 and over	67	48.6	49.4	45.2	49.2	48.8	49.1	50.4	47.9	48.9	49.1	48.5	48.9	48.2
REGION														
New England	55	50.7	51.9	48.5	50.5	51.4	52.4	52.0	48.7	45.3	48.1	50.9	51.3	57.5
Central Atlantic	97	49.7	51.9	45.6	50.2	49.8	50.0	50.7	49.0	48.4	48.8	50.6	51.9	49.3
Midwest	130	52.1	48.2	43.0	50.4	50.3	50.2	54.1	51.6	52.4	53.0	52.4	52.0	67.8
Southeast	35	51.2	49.6	51.3	51.6	53.4	52.2	50.9	47.4	45.4	53.1	55.1	50.6	53.3
Gulf Southwest	69	53.8	51.5	50.4	54.7	55.0	54.3	52.7	53.6	55.3	54.5	55.7	54.1	54.3
West Midcontinent	55	53.3	56.0	53.1	55.5	54.1	53.2	54.1	50.7	50.6	51.9	52.0	52.0	56.8
Central Northwest	28	42.2	44.6	40.1	41.0	43.7	43.8	44.0	39.9	37.2	39.1	43.6	47.6	42.4
Pacific Northwest	32	48.4	52.2	49.4	49.0	54.6	45.8	46.7	44.2	41.5	46.1	52.9	47.9	48.6
Pacific Southwest	78	33.3	35.3	35.4	31.6	33.0	33.9	38.2	33.4	33.7	34.1	27.9	30.8	33.5
Total	579	48.1	48.6	45.3	48.2	48.4	48.1	49.5	47.0	46.6	47.8	48.0	48.1	51.5

PER CENT COLLECTED MONTHLY ON INSTALLMENT ACCOUNTS OF MISCELLANEOUS RETAIL ESTABLISHMENTS IN 1927, GROUPED ACCORDING TO TOTAL VOLUME OF SALES AND GEOGRAPHICAL DISTRICTS

Classification	Establishments	Year	January	February	March	April	May	June	July	August	September	October	November	December
SALES VOLUME														
Less than $25,000	8	14.5	14.6	13.7	16.0	14.7	15.0	13.9	15.0	14.0	14.0	15.8	13.7	13.4
$25,000 to $49,999	8	17.5	19.1	17.7	13.8	18.9	17.9	17.6	14.2	14.0	16.3	16.9	23.8	20.6
$50,000 to $99,999	11	15.7	14.7	15.2	16.2	17.2	15.7	16.7	14.5	18.9	16.6	15.0	13.1	15.1
$100,000 to $249,999	21	16.3	15.5	14.2	15.2	17.2	16.3	17.1	16.8	15.8	16.7	17.6	16.6	16.1
$250,000 to $499,999	10	10.3	9.6	10.5	9.7	10.5	9.9	10.0	11.1	11.4	10.6	10.1	9.7	10.3
$500,000 and over	17	14.4	14.6	13.0	15.9	14.2	14.3	15.5	13.0	13.4	14.0	14.9	14.9	14.7
REGION														
New England	5	15.1	14.6	13.0	13.8	13.9	16.4	15.2	16.4	14.1	15.8	17.8	15.0	14.8
Central Atlantic	17	10.7	10.5	9.8	10.9	11.0	10.9	10.8	10.1	10.1	10.2	11.3	10.9	11.3
Midwest	16	16.8	16.0	15.4	20.0	16.2	16.7	17.4	15.1	16.0	17.3	17.3	17.3	17.2
Southeast	2	16.8	16.6	21.4	15.8	18.9	15.2	14.1	15.2	19.3	14.8	15.6	18.3	15.4
Gulf Southwest	8	18.5	17.7	9.8	11.9	19.6	13.8	34.2	20.3	15.4	14.1	20.8	24.4	18.3
West Midcontinent	9	19.6	24.9	19.5	15.2	17.3	18.6	20.0	19.4	29.2	19.5	16.0	14.0	20.5
Central Northwest	1	13.7	10.9	7.9	12.4	9.1	8.7	14.8	10.7	25.6	10.3	18.4	32.9	15.3
Pacific Northwest	7	21.9	22.0	25.2	21.3	23.9	17.6	20.0	29.5	27.4	30.3	18.9	10.6	12.9
Pacific Southwest	9	10.1	13.8	10.6	10.6	11.0	10.9	9.1	9.5	10.6	9.0	9.3	8.8	9.8
Total, including one store, district not shown	75	13.8	13.7	12.7	14.6	13.8	13.7	14.6	13.0	13.4	13.6	14.2	14.0	14.0

SUMMARY: ALL STORES

KINDS AND EXTENT OF CREDIT BUSINESS

Reports from 23,779 retail establishments with total net sales in 1927 of $4,746,314,000 indicate that 58.6 per cent of this amount was for cash, 32.2 per cent on open credit, and 9.2 per cent on installment credit. These figures include establishments selling for cash only as well as those doing credit business. The total of 23,779 establishments includes more than 27 different kinds, as shown in the following table, representing all sizes of stores and all sections of the country.

Plumbing and heating fixtures and supply houses (731 reporting) did 96 per cent of total business on credit (open and installment), which was the largest proportion of all the kinds of establishments studied.

Lumber and building-material dealers (640 reporting) had the highest percentage of open credit sales; 90 per cent of total sales were on open credit. Dealers selling coal, wood, lumber, and building materials (207 reporting) were second, with 76.5 per cent on open credit. Coal and wood dealers (680 reporting) were third, with 74.4 per cent on open credit.

Stove and range dealers (22 reporting) had the highest proportion of installment sales; 73.2 per cent of total sales were on installment credit. Furniture stores (726 reporting), with 57.7 per cent of total sales on installments, were second. Musical-instrument stores (132 reporting), with 54.7 per cent, were third.

Considering only those stores which did credit business, and excluding chain department stores and department stores conducted by mail-order houses, it was found that 39.3 per cent of sales were for cash, 48.6 per cent on open credit, and 12.1 per cent on installment credit.

KINDS AND EXTENT OF CREDIT BUSINESS OF 23,779 RETAIL ESTABLISHMENTS IN 1927

[Sales in thousands of dollars]

Type of business	Establishments	Cash		Open credit		Installment credit		Total amount
		Amount	Per cent	Amount	Per cent	Amount	Per cent	
Department	892	1,067,332	64.5	492,729	29.8	94,179	5.7	1,654,240
Furniture	726	24,730	15.2	44,193	27.1	93,832	57.7	162,755
Women's, children's and infants' wear	523	66,098	49.4	66,501	49.7	1,252	.9	133,851
Men's and boys' clothing	843	82,655	63.8	43,260	33.4	3,701	2.8	129,616
General clothing	1,616	199,765	78.4	46,014	18.0	9,098	3.6	254,877
Dry goods	108	4,109	61.6	2,548	38.2	10	.2	6,667
Fur goods	124	5,908	37.4	8,145	51.5	1,761	11.1	15,814
Boots and shoes	2,000	128,748	89.5	15,068	10.5			143,816
Automobiles	569	96,884	37.1	41,869	16.0	122,384	46.9	261,137
Auto accessories	678	30,638	53.8	25,386	44.5	963	1.7	56,987
Groceries	2,164	100,511	50.1	100,360	49.9			200,871
Bakery products	353	18,029	80.2	4,445	19.8			22,474
Radio sets and supplies	92	4,695	47.5	2,308	23.3	2,891	29.2	9,894
Electrical appliances	627	12,013	15.4	27,611	35.4	38,331	49.2	77,955
Jewelry	330	13,894	37.8	16,547	45.0	6,302	17.2	36,743
Optical goods	86	4,129	59.5	2,696	38.8	115	1.7	6,940
Hardware	706	21,582	35.2	37,380	61.1	2,243	3.7	61,205
Coal and wood	680	36,500	25.4	106,908	74.4	260	.2	143,668
Lumber and building material	640	11,855	7.9	134,591	90.0	3,050	2.1	149,496
Hay, grain, and feed	112	8,618	33.1	17,389	66.9			26,007
Paint, oil, and varnish	203	7,071	28.8	17,339	70.6	138	.6	24,548
Plumbing and heating fixtures and supplies	731	1,309	4.0	22,966	70.7	8,193	25.3	32,468
Stoves and ranges	22	155	12.6	175	14.2	899	73.2	1,229
House furnishings	49	998	23.8	2,963	70.7	230	5.5	4,191
Coal, wood, lumber, and building material	207	10,958	21.5	39,051	76.5	1,038	2.0	51,047
Drug	430	21,890	84.7	3,955	15.3			25,845
Musical instruments	132	4,938	17.1	8,156	28.2	15,796	54.7	28,890
Miscellaneous	8,136	796,231	77.8	197,747	19.3	29,105	2.9	1,023,083
Total	23,779	2,782,243	58.6	1,528,300	32.2	435,771	9.2	4,746,314

KINDS AND EXTENT OF CREDIT BUSINESS OF 10,962 RETAIL ESTABLISHMENTS DOING CREDIT BUSINESS IN 1927

[Sales in thousands of dollars]

Type of business	Establishments	Cash		Open credit		Installment credit		Total amount
		Amount	Per cent	Amount	Per cent	Amount	Per cent	
Department [1]	568	533,729	49.6	483,114	44.9	59,370	5.5	1,076,213
Furniture	640	23,254	14.9	43,880	28.3	88,086	56.8	155,220
Women's, children's, and infants' wear	332	47,623	44.0	59,311	54.8	1,252	1.2	108,186
Men's and boys' clothing	548	53,728	53.5	43,260	42.9	3,701	3.6	100,689
General clothing	336	34,815	38.8	45,836	51.1	9,098	10.1	89,749
Dry goods	38	1,847	41.9	2,548	57.9	10	.2	4,405
Fur goods	84	3,424	25.7	8,146	61.1	1,761	13.2	13,331
Boots and shoes	233	23,710	62.2	14,422	37.8			38,132
Automobiles	569	96,884	37.1	41,869	16.0	122,385	46.9	261,138
Auto accessories	496	14,941	37.3	24,199	60.5	879	2.2	40,019
Groceries	1,675	65,889	39.7	100,360	60.3			166,249
Bakery products	71	6,813	67.7	3,254	32.3			10,067
Radio sets and supplies	85	4,231	44.8	2,308	24.5	2,891	30.7	9,430
Electrical appliances	312	9,830	20.0	18,370	37.4	20,899	42.6	49,099
Jewelry	244	12,016	34.0	16,548	42.9	6,303	23.1	34,867
Optical goods	62	3,681	56.8	2,697	41.5	115	1.7	6,493
Hardware	534	18,554	32.0	37,381	64.2	2,243	3.8	58,178
Coal and wood	614	32,124	23.6	103,843	76.2	260	.2	136,227
Lumber and building material	534	10,840	7.5	130,645	90.4	3,050	2.1	144,535
Hay, grain, and feed	102	7,895	31.2	17,389	68.8			25,284
Paint, oil, and varnish	198	7,031	28.7	17,339	70.7	138	.6	24,508
Plumbing and heating fixtures and supplies	222	1,156	6.4	15,656	86.9	1,204	6.7	18,016
Stoves and ranges	20	88	7.7	175	15.0	900	77.3	1,163
House furnishings	35	593	15.6	2,963	78.3	229	6.1	3,785
Coal, wood, lumber, and building material	187	10,588	21.2	38,447	76.9	970	1.9	50,005
Drug	252	13,118	76.8	3,956	23.2			17,074
Musical instruments	112	4,849	22.1	3,807	17.3	13,303	60.6	21,959
Miscellaneous	1,859	149,002	40.0	195,057	52.4	28,499	7.6	372,558
Total	10,962	1,192,253	39.3	1,476,780	48.6	367,546	12.1	3,036,579

[1] Excluding chain department stores and department stores conducted by mail-order houses.

CREDIT LOSSES

The average loss from bad debts on open credit sales of 10,264 retail establishments of all kinds was 0.6 per cent. If the open credit loss is figured on total sales rather than on open credit sales, the loss was 0.3 per cent.

Electrical appliance stores (256 reporting) had the highest open credit loss ratio, which was 1.5 per cent. Radio sets and supply stores and drug stores were second, with an open credit loss of 1.4 per cent. Department stores (586 reporting) and coal and wood dealers (614 reporting) had the lowest open credit loss, which was 0.4 per cent.

The average loss from bad debts on installment sales of 2,681 retail establishments of all kinds was 1.2 per cent. If the installment credit loss is figured on total sales rather than on installment sales, the loss was 0.2 per cent.

General clothing stores (82 reporting) had the highest installment credit loss, which was 7.9 per cent. Jewelry stores (104 reporting) were second, with 4.4 per cent. Coal, wood, lumber, and building-material dealers had the lowest installment credit loss, 0.2 per cent.

LOSSES FROM BAD DEBTS OF 10,992 RETAIL ESTABLISHMENTS IN 1927

Type of business	Open credit				Installment credit			
	Establishments	Total open credit sales	Ratio bad debts to credit sales	Ratio bad debts to total sales	Establishments	Total installment credit sales	Ratio bad debts to credit sales	Ratio bad debts to total sales
			Per cent	*Per cent*			*Per cent*	*Per cent*
Department	586	$492,728,769	0.4	0.1	215	$70,124,981	0.9	0.05
Furniture	360	43,880,016	.8	.3	497	88,086,069	1.4	1.0
Women's, children's, and infants' wear	325	59,311,481	.5	.2	24	1,252,215	3.7	.9
Men's and boys' clothing	535	43,260,284	1.1	.4	34	3,700,791	2.4	.6
General clothing	275	45,836,467	.7	.4	82	9,097,958	7.9	6.2
Dry goods	37	2,547,985	.8	.4	2	10,000	1.4	.8
Fur goods	77	8,145,520	.7	.5	27	1,761,239	.8	.3
Boots and shoes	233	14,422,303	.8	.3				
Automobiles	489	41,868,766	1.0	.1	569	122,385,091	.3	.1
Auto accessories	494	24,199,232	1.3	.8	68	879,113	3.6	.5
Groceries	1,675	100,360,089	.7	.4				
Bakery products	71	3,253,551	.7	.2				
Radio sets and supplies	65	2,308,103	1.4	.5	67	2,891,001	1.1	.4
Electrical appliances	256	18,370,120	1.5	.7	212	20,898,607	1.5	.8
Jewelry	186	16,547,748	.5	.3	104	6,302,807	4.4	2.5
Optical goods	62	2,696,617	.6	.2	5	114,761	.9	.07
Hardware	533	37,380,813	1.0	.6	149	2,242,887	.9	.1
Coal and wood	614	103,843,046	.4	.3	19	260,174	.8	.05
Lumber and building material	529	130,644,884	1.0	.9	71	3,050,469	1.0	.1
Hay, grain, and feed	102	17,389,173	.7	.5				
Paint, oil, and varnish	198	17,339,318	1.1	.7	6	138,108	.8	.06
Plumbing and heating fixtures and supplies	213	15,656,197	.9	.8	61	1,204,731	.8	.1
Stoves and ranges	13	174,761	.8	.2	20	899,779	1.0	.7
House furnishings	33	2,962,746	.7	.5	6	229,135	2.2	1.4
Coal, wood, lumber, and building material	186	38,446,665	.6	.5	9	970,315	.2	.09
Drug	252	3,955,710	1.4	.3				
Musical instruments	70	3,807,200	.7	.1	106	13,302,766	1.3	.8
Miscellaneous	1,795	195,070,930	.7	.4	328	28,499,469	1.5	.4
Total	10,264	1,486,408,494	.6	.3	2,681	378,302,466	1.2	.2

RETURNS AND ALLOWANCES

The ratio of returns and allowances for all stores was 5.2 per cent of gross cash sales, 9.9 per cent of gross open credit sales, and 12 per cent of gross installment sales.

Fur-goods stores (19 reporting) had a return and allowance ratio on gross cash sales of 16 per cent, which was the highest figure. Drug stores (45 reporting), with 0.7 per cent of gross cash sales, had the lowest.

Musical-instrument stores (22 reporting) had the highest ratio of returns and allowances on open credit sales. Their average was 22.9 per cent. Shoe stores (78 reporting) were second, with 21.3 per cent. Coal and wood dealers (144 reporting) had the lowest ratio, 0.8 per cent.

Musical-instrument stores (50 reporting), with 15.4 per cent, had the highest returns and allowances on installment sales. Hardware stores (22 reporting), with 3.5 per cent, had the lowest.

RETURNS AND ALLOWANCES OF ALL RETAIL ESTABLISHMENTS IN 1927

Type of business	Cash sales			Open credit sales			Installment credit sales		
	Establishments	Gross sales	Per cent returns and allowances	Establishments	Gross sales	Per cent returns and allowances	Establishments	Gross sales	Per cent returns and allowances
Department	227	$687,061,279	5.9	247	$423,258,827	14.2	106	$62,926,490	13.1
Furniture	130	7,605,507	4.0	143	26,674,332	4.9	217	58,423,950	13.7
Women's, childrens', and infants' wear	94	28,236,651	4.5	118	46,662,139	14.3			
Men's and boys' clothing	102	11,607,946	2.4	118	16,344,625	7.0			
General clothing	74	17,887,876	4.7	79	33,733,052	11.8	41	4,654,168	5.7
Dry goods	11	675,330	1.7	11	616,380	7.1			
Fur goods	19	2,166,082	16.0	32	3,831,196	6.0			
Boots and shoes	92	31,273,963	2.0	78	11,738,642	21.3			
Automobiles	106	19,283,511	3.9	145	18,387,139	4.0	79	17,712,258	4.2
Auto accessories	92	3,164,736	2.7	134	9,888,299	5.9	13	98,182	5.1
Groceries	111	9,378,192	1.0	196	28,205,234	1.3			
Radio sets and supplies	26	631,843	3.6	22	1,569,539	10.3	16	1,667,945	6.9
Electrical appliances	59	3,155,202	5.8	82	9,290,364	6.0	68	14,311,251	11.4
Jewelry	61	4,375,126	2.2	60	10,829,038	8.3	37	3,047,528	11.7
Optical goods	22	892,800	.7	17	1,673,462	14.8			
Hardware	144	6,012,185	1.9	197	17,132,613	3.3	22	311,502	3.5
Coal and wood	52	3,545,727	1.4	144	40,432,132	.8			
Lumber and building material	74	1,508,361	2.6	216	48,586,419	3.5			
Paint, oil, and varnish	65	1,981,589	2.9	95	10,265,243	3.6			
Plumbing and heating fixtures and supplies	25	363,215	2.1	72	8,907,467	1.8	16	676,864	5.6
Coal, wood, lumber, and building material	17	2,099,532	1.0	58	20,476,106	1.5			
Drug	45	3,204,345	.7	43	1,569,584	1.7			
Musical instruments	22	1,385,114	3.1	26	2,191,117	22.9	50	9,870,689	15.4
Miscellaneous	378	63,519,256	2.6	538	97,978,131	4.1	50	6,037,035	9.8
Total	2,048	911,015,368	5.2	2,871	890,241,080	9.9	715	179,737,862	12.0

COLLECTION PERCENTAGES

Reports from 3,355 retail establishments of all kinds indicate that the open account collection percentage for the whole country was 44.1 per cent. This means that the average length of time open accounts receivable were outstanding was 68 days. Grocery stores had the highest figure, which was 66.8 per cent, and lumber and building material dealers had the lowest, which was 36.6 per cent.

Reports from 597 establishments, including department stores, furniture stores, automobile dealers, electrical appliance stores, and miscellaneous establishments, show that the installment collection percentage was 13.5 per cent. This means that the average length of time installment accounts were outstanding was a little over seven months. Automobile dealers had the highest figure, which was 17 per cent, and furniture stores had the lowest, which was 10.8 per cent.

AVERAGE MONTHLY COLLECTIONS FOR ALL RETAIL ESTABLISHMENTS IN 1927

[Balances in thousands of dollars]

Type of business	Open credit			Installment credit		
	Establishments	Average monthly outstanding balance	Per cent collected monthly	Establishments	Average monthly outstanding balance	Per cent collected monthly
Department	355	83,128	44.5	132	37,542	14.6
Furniture	109	6,933	39.7	228	35,633	10.8
Women's, children's, and infants' wear	159	9,944	41.3			
Men's and boys' clothing	233	6,466	37.4			
General clothing	121	7,802	42.7			
Fur goods	29	1,109	41.2			
Boot and shoe	110	2,173	47.6			
Automobile	100	1,463	48.1	113	11,146	17.0
Auto accessories	158	1,795	49.8			
Grocery	258	4,890	66.8			
Electrical appliance	68	1,880	39.2	49	4,650	16.0
Jewelry	65	2,488	39.1			
Hardware	189	4,202	37.9			
Coal and wood	304	12,714	47.5			
Lumber and building material	248	14,883	36.6			
Paint, oil, and varnish	90	2,088	43.7			
Plumbing and heating, fixtures and supply	58	1,060	50.3			
Coal, wood, lumber, and building material	68	4,103	44.2			
Drug	54	267	41.5			
Miscellaneous	579	16,900	48.1	75	8,339	13.8
Total	3,355	186,288	44.1	597	97,310	13.5

Date Due

MAY 2 1931

APR 3 '59

D257 P73
National retail credit survey
Pt. 1 c.1

MAY 2 1931 Library 609 Bus 1931

MSH 05417
MSH 05418
MSH 05419

NEH JAN 12 1995

JAN 12 1995

APR 23 1931

END OF
TITLE